OREZONE GOLD CORPORATION

(A Development Stage Company)

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

For the three and nine month periods ended September 30, 2017

Financial Statements

Notice to reader pursuant to National Instrument 51-102

Responsibility for Financial Statements:

The accompanying unaudited condensed consolidated interim Financial Statements of Orezone Gold Corporation as at and for the three and nine month periods ended September 30, 2017 have been prepared by the company's management. Recognizing that the company is responsible for both the integrity and objectivity of the condensed interim financial statements, management is satisfied that these condensed consolidated interim financial statements have been fairly presented.

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

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in United States dollars)

As at	September 30, 2017	December 31, 2016
	$	$
ASSETS		
Current assets		
Cash	**13,359,328**	22,099,768
Trade and other receivables	**62,105**	98,867
Inventories (Note 5)	**349,461**	316,908
Prepaid expenses and deposits	**95,915**	108,298
Total current assets	**13,866,809**	22,623,841
Non-current assets		
Interests in exploration properties (Note 6)	**2,063,958**	2,224,746
Investment (Note 7)	**1,313,091**	-
Total non-current assets	**3,377,049**	2,224,746
Total assets	**17,243,858**	24,848,587
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**895,463**	805,489
Non-current liabilities		
Royalty-based obligation (Notes 4 and 8)	**-**	3,600,000
Total liabilities	**895,463**	4,405,489
Equity		
Share capital (Note 9)	**161,396,693**	161,396,693
Reserves	**13,755,740**	11,883,352
Accumulated deficit	**(158,804,038)**	(152,836,947)
Total equity	**16,348,395**	20,443,098
Total liabilities and equity	**17,243,858**	24,848,587

Going Concern (Note 2(b))
Commitments (Note 16)

These condensed consolidated interim financial statements were approved by the Board of Directors of Orezone Gold Corporation November 28, 2017:

/s/ Patrick Downey

Patrick Downey
Director

/s/ Ronald Batt

Ronald Batt
Director

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

Orezone Gold Corporation
(A Development Stage Company)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three and nine month periods ended September 30, 2017 and 2016
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
			$	$
Expenses				
Exploration and evaluation costs (Note 10)	**884,579**	626,055	**3,666,432**	1,542,154
General and administrative costs (Note 10)	**994,421**	420,473	**2,748,344**	1,341,297
Share-based compensation (Note 9(b))	**227,744**	46,222	**911,284**	212,444
Depreciation and amortization (Note 6)	**84,360**	109,672	**260,708**	360,016
	2,191,104	1,202,422	**7,586,768**	3,455,911
Other income (loss)				
Gain on Sale of Bondi project (Note 7)	**1,445,588**	-	**1,445,588**	-
Foreign exchange gain (loss)	**(17,689)**	(19,009)	**56,194**	208,037
Finance income	**37,373**	47,488	**112,652**	64,781
Bank fees/charges	**(1,868)**	(1,396)	**(5,801)**	(4,379)
Other income	**3,416**	-	**11,044**	-
Fair value loss on royalty-based obligation (Note 8)	**-**	-	**-**	(300,000)
Other income (loss)	**1,466,820**	27,083	**1,619,677**	(31,561)
Net loss before tax	**(724,284)**	(1,175,339)	**(5,967,091)**	(3,487,472)
Income tax expense	**-**	-	**-**	(5,980)
Net loss for the period	**(724,284)**	(1,175,339)	**(5,967,091)**	(3,493,452)
Net loss per common share, basic and diluted	**(0.01)**	(0.01)	**(0.04)**	(0.03)
Weighted-average number of common shares outstanding, basic and diluted (Note 9(b))	**154,050,364**	148,811,902	**154,050,364**	129,503,131
Net loss for the period	**(724,284)**	(1,175,339)	**(5,967,091)**	(3,493,452)
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	**665,174**	(60,583)	**1,292,480**	(72,505)
Net change in fair value of available-for-sale financial assets	**(331,376)**	-	**(331,376)**	-
Total other comprehensive income (loss)	**333,798**	(60,583)	**961,104**	(72,505)
Comprehensive loss	**(390,486)**	(1,235,922)	**(5,005,987)**	(3,565,957)

The above other comprehensive loss item will be subsequently recycled into the statement of loss.

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

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

For the nine month periods ended September 30, 2017 and 2016
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves				
	Shares	Amount	Share-based payments (Note 9)	Foreign currency translation	Investment revaluation	Accumulated deficit	Total
	#	$	$	$		$	$
Balance, January 1, 2017	154,050,364	161,396,693	12,653,357	(770,005)	-	(152,836,947)	20,443,098
Share-based compensation	-	-	911,284	-	-	-	911,284
Foreign currency translation	-	-	-	1,283,578	8,902	-	1,292,480
Net change in the fair value of available-for-sale financial assets	-	-	-	-	(331,376)	-	(331,376)
Net loss for the period	-	-	-	-	-	(5,967,091)	(5,967,091)
Balance, September 30, 2017	**154,050,364**	**161,396,693**	**13,564,641**	**513,573**	**(322,474)**	**(158,804,038)**	**16,348,395**

	Share capital		Reserves				
	Shares	Amount	Share-based payments (Note 9)	Foreign currency translation	Investment revaluation	Accumulated deficit	Total
	#	$	$	$		$	$
Balance, January 1, 2016	117,350,364	138,425,137	12,489,964	(111,464)	-	(147,337,928)	3,465,709
Share capital issued (Note 9 (a))	36,450,000	24,157,875	-	-	-	-	24,157,875
Share issuance costs (Note 9 (a))	-	(1,340,297)	-	-	-	-	(1,340,297)
Stock options exercised	250,000	153,978	(81,584)	-	-	-	72,394
Share-based compensation	-	-	212,444	-	-	-	212,444
Foreign currency translation	-	-	-	(72,505)	-	-	(72,505)
Net loss for the period	-	-	-	-	-	(3,493,452)	(3,493,452)
Balance, September 30, 2016	**154,050,364**	**161,396,693**	**12,620,824**	**(183,969)**	**-**	**(150,831,380)**	**23,002,168**

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

Orezone Gold Corporation
(A Development Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
For the nine month periods ended September 30, 2017 and 2016
(Unaudited, expressed in United States dollars)

	2017	2016
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(5,967,091)**	(3,493,452)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization (Note 6)	**260,708**	360,016
Share-based compensation (Note 9(b))	**911,284**	212,444
Finance income	**(112,652)**	(64,781)
Unrealized Foreign exchange gain (loss)	**56,194**	(208,037)
Gain on sale of Bondi project	**(1,445,588)**	-
Gain on sale of interests in exploration properties	**(2,001)**	-
Fair value loss on royalty-based obligation (Note 8)	**-**	300,000
Repayment of royalty-based obligation (Note 8)	**(600,000)**	-
Income tax expense	**-**	5,980
Changes in non-cash operating working capital (Note 11)	**97,168**	236,404
Total cash outflows used in operating activities	**(6,801,978)**	(2,651,426)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 6)	**(48,225)**	(5,414)
Proceeds on sale of interests in exploration properties	**2,361**	-
Interest received	**115,797**	48,930
Total cash inflows from investing activities	**69,933**	43,516
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of royalty-based obligation (Note 8)	**(3,000,000)**	-
Proceeds from private placement (Note 9(a))	**-**	3,857,500
Proceeds from financing (Note 9(a))	**-**	20,300,375
Share issuance costs (Note 9(a))	**-**	(1,340,297)
Proceeds from exercise of stock options	**-**	72,394
Total cash (outflows) inflows from financing activities	**(3,000,000)**	22,889,972
Effect of foreign currency translation on cash	**991,605**	13,294
(Decrease) Increase in cash	**(8,740,440)**	20,295,356
Cash, beginning of period	**22,099,768**	3,835,256
Cash, end of period	**13,359,328**	24,130,612

Supplemental cash flow information is provided in Note 11.

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

1. CORPORATE INFORMATION

Orezone Gold Corporation (the “Company”) was incorporated on December 1, 2008 under the Canada Business Corporations Act and was a publicly listed corporation on the Toronto Stock Exchange (the “TSX”). Since December 2015, the Company is listed as a Tier 1 listed company on the TSX Venture Exchange (TSXV). The Company is primarily engaged in the exploration and development of gold properties in Burkina Faso, West Africa. The Company is in the exploration and evaluation phase and is in the process of determining whether any of its mineral properties are technically feasible and commercially viable. The Company’s primary objective is to maximize shareholder value by identifying and developing commercially viable gold mining operations.

The address of the Company’s corporate office is 290 Picton Avenue, Suite 201, Ottawa, Ontario, Canada, K1Z 8P8.

References to “$” or “US$” are to United States dollars, references to “C$” are to Canadian dollars and references to “CFA” or “XOF” are to 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” (“IAS 34”).

These Interim Financial Statements were authorized for issue by the Board of Directors on November 28, 2017.

(b) BASIS OF MEASUREMENT

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, 2016 (the “2016 Annual Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2016 Annual Financial Statements.

These Interim Financial Statements are presented in United States dollars, unless otherwise indicated.

The preparation of condensed consolidated interim financial statements in accordance with IAS 34 requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment, or complexity or areas where assumptions and estimates are significant to these Interim Financial Statements are disclosed in Note 4.

These Interim Financial Statements have been prepared on the basis of principles applicable to a going concern which assumes the Company will continue to meet its obligations and discharge its liabilities for the foreseeable future. The Company is in the exploration stage and, as is common with many exploration companies, raises funds in the equity market to conduct its activities. Management believes that the current working capital is sufficient to sustain the Company’s exploration and evaluation, development plans and general and administrative expenses on an ongoing basis and based on planned expenditures will be able to sustain costs into 2019. In order to develop its Bomboré property into an operating mine the Company must raise additional debt and / or equity capital.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in these Interim Financial Statements are consistent with those followed in the preparation of the Company’s 2016 Annual Financial Statements, except as noted below:

(a) AVAILABLE-FOR-SALE FINANCIAL ASSETS

The company's investment in equity securities is designated as an available-for-sale financial asset and recorded at fair value on the trade date. Changes in fair value of available-for-sale investments are recognized in other comprehensive income (investment revaluation reserve) until investments are disposed of or when there is objective evidence of an impairment in value, at which point accumulated gains and losses in the fair value reserve are transferred to earnings.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these Interim Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Interim Financial Statements. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the year of change and future years if the change impacts both years.

Critical judgments in applying accounting policies

Going concern risk assessment

Management considers whether there exists any event(s) or condition(s) that may cast significant doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with IAS 21, "*The Effects of Changes in Foreign Exchange Rates*," and as such has determined that the functional currency of all of its entities is the Canadian dollar with the exception of its subsidiaries, Orezone Inc. SARL and Orezone Bomboré SA, which have a functional currency of the CFA.

Accounting policy selection for interest in exploration properties including property, plant and equipment

As disclosed in Note 3(h) in the Company's 2016 Annual Financial Statements, Management judgment is applied in capitalizing costs related to acquired mineral property rights and property, plant and equipment. Management has determined that expenditures incurred during the exploration and evaluation phase will be expensed as incurred until it determines that the technical feasibility and commercial viability of a mineral property has been established.

Impairment of non-financial assets

Management assesses non-financial assets for impairment as disclosed in Note 3(k) in the Company's 2016 Annual Financial Statements, Management judgment is applied in capitalizing costs related to acquired mineral property rights and property, plant and equipment. Management has determined that expenditures incurred during the exploration and evaluation phase will be expensed as incurred until it determines that the technical feasibility and commercial viability of a mineral property has been established.

Deferred income taxes

Judgment is required in order to determine whether to recognize deferred tax assets and/or liabilities on the Statement of Financial Position. Management must assess the extent to which it is probable that the Company and its subsidiaries will have future taxable profits available against which it can recognize unused tax losses or unused tax credits as well as sufficient loss carry forwards to offset potential tax liabilities. The amount and availability of deferred tax assets and liabilities are directly influenced by future changes to tax laws in the jurisdictions in which the Company and its subsidiaries operate.

Current income tax liabilities

The Company's operating subsidiary tax filings may be reviewed from time to time in accordance with the Burkina Faso Code. The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required in order to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, Management must determine whether it's probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in its Statement of Financial Position in addition to determining the appropriate level of disclosure regarding the dispute.

Classification of royalty as royalty-based obligation

Management has determined that based on the specific agreements reached with Sandstorm the royalty-based obligation should be classified as a financial liability at fair value through profit or loss.

Fair value of the Sandstorm upfront royalty

Management has assessed the fair value of the upfront royalty as the value of the royalty plus any buyback premiums based on its assumption that the Company will have the necessary funds to repurchase the royalty from Sandstorm prior to the expiry of the irrevocable buyback option.

Sources of estimation uncertainty

Share-based compensation related to stock options

Management assesses the fair value of stock options as disclosed in Note 3(q) in the Company's 2016 Annual Financial Statements, using the Black-Scholes option pricing model. This model requires Management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected life of the equity-settled instruments. As well, Management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

Useful lives of property, plant and equipment

As disclosed in Note 3(j) in the Company's 2016 Annual Financial Statements, Management reviews its estimate of the useful life of property, plant and equipment annually and accounts for any changes in estimates prospectively.

5. INVENTORIES

The cost of materials and supplies inventories recognized as an expense during the three and nine month periods ended September 30, 2017 was $73,473 and $141,830 respectively (2016 – $4,297 and $22,755 respectively). There were no write-downs or reversals of write-downs of inventories to net realizable value during the three and nine month periods ended September 30, 2017 or 2016. As at September 30, 2017, no specific inventories were pledged as security for liabilities.

(Unaudited, expressed in United States dollars)

6. INTERESTS IN EXPLORATION PROPERTIES

Assets not subject to depreciation	Land	Mineral property rights	Construction in progress	Total
	$	$	$	$
Cost, being carrying amount				
Balance, January 1, 2016	148,931	832,207	6,921	988,059
Additions	-	-	484	484
Disposals	-	-	(493)	(493)
Transfer to depreciable property	-	-	(6,921)	(6,921)
Foreign currency translation	(4,139)	13,317	9	9,187
Balance, December 31, 2016	144,792	845,524	-	990,316
Disposals	-	(165,945)	-	(165,945)
Foreign currency translation	17,188	73,017	-	90,205
Balance, September 30, 2017	**161,980**	**752,596**	**-**	**914,576**

Assets subject to depreciation	Building	Capital improve-ments	Field equipment	Vehicles	Office equipment and furniture	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2016	2,061,266	1,242,690	1,925,307	480,766	204,037	5,914,066
Additions	-	2,447	12,089	-	3,572	18,108
Disposals	-	-	-	-	(5,295)	(5,295)
Transfer from construction in progress	-	6,921	-	-	-	6,921
Foreign currency translation	(57,295)	(34,825)	(10,000)	(13,363)	1,255	(114,228)
Balance, December 31, 2016	2,003,971	1,217,233	1,927,396	467,403	203,569	5,819,572
Additions	-	-	3,522	4,510	40,193	48,225
Disposals	-	-	-	(7,863)	-	(7,863)
Foreign currency translation	237,886	144,494	198,560	56,012	21,510	658,462
Balance, September 30, 2017	**2,241,857**	**1,361,727**	**2,129,478**	**520,062**	**265,272**	**6,518,396**
Accumulated depreciation						
Balance, January 1, 2016	1,055,868	1,168,348	1,391,895	450,844	163,768	4,230,723
Depreciation for the year	210,642	17,305	187,853	28,593	17,543	461,936
Disposals	-	-	-	-	(5,295)	(5,295)
Foreign currency translation	(39,075)	(33,269)	(16,226)	(13,844)	192	(102,222)
Balance, December 31, 2016	1,227,435	1,152,384	1,563,522	465,593	176,208	4,585,142
Depreciation for the period	159,009	11,598	73,475	2,330	14,296	260,708
Disposals	-	-	-	(7,863)	-	(7,863)
Foreign currency translation	155,268	137,494	165,421	55,551	17,293	531,027
Balance, September 30, 2017	**1,541,712**	**1,301,476**	**1,802,418**	**515,611**	**207,797**	**5,369,014**

Carrying amounts as at:	Building	Capital improve-ments	Field equipment	Vehicles	Office equipment and furniture	Total
December 31, 2016	776,536	64,849	363,874	1,810	27,361	1,234,430
September 30, 2017	**700,145**	**60,251**	**327,060**	**4,451**	**57,475**	**1,149,382**

(Unaudited, expressed in United States dollars)

Total interests in exploration properties	Nine months ended September 30, 2017	Year ended December 31, 2016
	$	$
Cost, beginning of period	**6,809,888**	6,902,125
Additions	**48,225**	18,592
Disposals	**(173,808)**	(5,788)
Foreign currency translation	**748,667**	(105,041)
Cost, end of period	**7,432,972**	6,809,888
Accumulated depreciation, beginning of period	**4,585,142**	4,230,723
Depreciation	**260,708**	461,936
Disposals	**(7,863)**	(5,295)
Foreign currency translation	**531,027**	(102,222)
Accumulated depreciation, end of period	**5,369,014**	4,585,142
Carrying amounts, beginning of period	**2,224,746**	2,671,402
Carrying amounts, end of period	**2,063,958**	2,224,746

The Company does not currently have depreciation and amortization capitalized in interests in exploration properties.

The carrying amounts of the mineral property rights by area were as follows:

As at	September 30, 2017	December 31, 2016
	$	$
Burkina Faso		
Bomboré	**752,596**	697,270
Bondi	**-**	148,254
Total mineral property rights	**752,596**	845,524

Bomboré, Burkina Faso

The original Bomboré I exploration permit (104.5 km^2) expired on February 17, 2016 after the Company had applied for a mining permit in May 2015. Three exploration permits were received on January 10, 2017 that covers much of the previous exploration permit area that surrounds the mining permit. On January 25, 2017, the company received the Bomboré mining permit Decree dated December 30, 2016. The permit refers to the 2015 Mining Code; however the Company has not yet received the mining convention and all relevant details as to the fiscal policies of the 2015 mining code that would apply to the permit. The Bomboré project now consists of the mining permit (25 km^2) and four exploration permits; Toéyoko (46.7 km^2), Bomboré II (17.6 km^2), Bomboré III (42.7 km^2) and Bomboré IV (11.3 km^2). On August 1, 2017, the Company received the official *Arrêté* from the Ministry of Mines for the final three-year term for the Toéyoko exploration permit The Bomboré II, Bomboré III and Bomboré IV permits will expire in January 2020 and may be renewed for two additional three-year terms.

Bondi, Burkina Faso

The Bondi project consisted of the Djarkadougou (168 km^2) permit, which is located in the Bougouriba province.

On May 24, 2016, the Company agreed to a sale and transfer of the Bondi project to Sarama for the consideration of 9.6M Sarama shares valued at C$0.15 per share, plus 3M warrants priced at C$0.195 per share with an expiry of two years and 2M warrants priced at C$0.24 per share with an expiry of three years. The transaction also includes a US$20/oz royalty on the first 200,000 ounces sold out of production from the Bondi Permit area. The Ministry of Mines delivered the new Djarkadougou Order ("Arrêté") in Sarama's name on August 18, 2017 and the Sarama shares and warrants issued to Orezone as part of the transaction were released from escrow on August 22, 2017.

7. INVESTMENTS

The company's investments consist of 9.6 M ordinary common shares of Sarama Resources ("Sarama") acquired as part of the sale of the Bondi project. Investments also include 3,000,000 Sarama warrants to acquire one common share of Sarama at a price of CAD$0.195 until December 12, 2018 and 2,000,000 Sarama warrants to acquire one common share of Sarama at a price of CAD$0.24 until December 12, 2019 The Sarama shares and warrants were issued into escrow on December 12, 2016 subject to finalizing the transaction. On August 22, 2017 the terms of the sales agreement were completed, and the common shares and warrants were released from escrow. The shares are classified as available for sale and are subject to orderly market provisions for a period of two years per the terms of the Agreement with Sarama. The Company recorded a gain on the sale of the permit in the amount of $1.4M.

8. ROYALTY-BASED OBLIGATION

(a) BACKGROUND

On January 27, 2015, the Company announced the completion of a royalty purchase agreement (the "Agreement") with Sandstorm that would provide up to $8.0M in financing to advance its Bomboré project. Sandstorm initially purchased a 0.45% net smelter returns ("NSR") royalty payable by the Company on future revenues from Bomboré (the "Upfront Royalty") for $3.0M. The Company had the option to buy back 100% of the Upfront Royalty prior to January 27, 2018 and the Company exercised this option in January 2017 for $3.6M.

The Agreement also grants Sandstorm a right of first refusal ("ROFR") on all future gold stream financings ("Stream") completed by the Company up to three years subsequent to the commencement of commercial production on the Bomboré project. This provision remains in force.

The Agreement with Sandstorm was executed with Orezone and, while any related royalty obligations are calculated based on production from the Bomboré permit, they remained the obligation of Orezone until the buyback option was exercised. As security for the original Agreement, Orezone pledged all of the issued and outstanding shares of its subsidiary Orezone Inc. as well as its intercompany account. These were returned with the exercise of the buyback option.

(b) ACCOUNTING FOR THE ROYALTY-BASED OBLIGATION

The NSR is classified as a financial liability at fair value through profit or loss. Due to the lack of a quoted price in an active market for a liability similar to the NSR, the Company calculated the fair value of the NSR by estimating the value a market participant would pay to purchase the creditor's interest in the liability.

9. SHARE CAPITAL

(a) CAPITAL STOCK

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

On March 30, 2016, the Company completed a non-brokered private placement that resulted in the issuance of the 10,000,000 common shares at a price of C$0.50 per share. As a result of the transaction, the Company recorded C$5,000,000 ($3,857,500) as an increase to share capital along with share issuance costs of $101,798 for net proceeds of $3,755,702.

On July 19, 2016, the Company completed a short form prospectus equity financing that resulted in the issuance of 26,450,000 common shares at a price of C$1.00 per share. As a result of the transaction, the Company recorded C$26,450,000 ($20,300,375) as an increase to share capital along with share issuance costs of $1,238,499 for net proceeds of $19,061,876.

(Unaudited, expressed in United States dollars)

(b) SHARE-BASED PAYMENTS

Orezone Gold Corporation

The equity compensation plans which the Company has in place are the 2009 Stock Option Plan ("2009 Plan") that was re-approved by the shareholders at the Annual and Special Meeting of Shareholders on June 11, 2015 and the 2016 Stock Option Plan ("2016 Plan") that was adopted by the Company in connection with the Company's voluntary move from the TSX to the TSXV in December 2015. As part of the transition, the Company adopted the 2016 Plan that is compliant with the TSXV Policy 4.4. As a result, no new stock options can be granted under the 2009 Plan and as of September 30, 2017, there were 5,821,000 options granted and outstanding under the 2009 Plan. The Company's 2016 Plan was adopted by the Board of Directors and conditionally approved by the TSXV on November 16, 2015, and was approved by the shareholders at the AGM held June 21, 2016. The Company's 2016 Plan is a 10% "rolling" plan and, under the policies of the TSXV, must be approved on an annual basis by the shareholders of the Company. The Company's 2016 Plan was reapproved by the shareholders at the AGM held on June 21, 2017. The number of shares reserved for issuance under the 2009 Plan and the 2016 Plan combined shall not exceed 10% of the Company's issued and outstanding common shares on a non-diluted basis. The 2016 Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The 2016 Plan is administered by the directors of the Company and allows for options to be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date no later than ten years after the date of grant of such option.

As at September 30, 2017, based on the Company's total common shares outstanding, a total of 15,405,036 stock options may be issued and outstanding. Based on this, the Company could grant up to 2,454,036 additional stock options beyond what was issued and outstanding as at September 30, 2017. TSXV approval is required to reserve the related common shares for issuance.

Stock option activity between January 1, 2016 and September 30, 2017 was as follows:

Grant date	Expiry date	Exercise price	Opening balance	Activity during the period			Closing balance	Vested and exercisable	Unvested
				Granted	Exercised	Forfeited			
		C$	#	#	#	#	#	#	#
05/15/2009	03/25/2019	0.36	1,025,000	-	150,000	25,000	850,000	850,000	-
05/26/2009	05/26/2019	0.40	1,862,500	-	100,000	50,000	1,712,500	1,712,500	-
07/08/2010	07/08/2020	0.85	405,500	-	-	75,500	330,000	330,000	-
10/21/2010	10/21/2020	2.35	200,000	-	-	-	200,000	200,000	-
04/27/2012	04/27/2017	1.70	1,403,775	-	-	1,403,775	-	-	-
05/14/2012	05/14/2017	1.70	10,000	-	-	10,000	-	-	-
12/17/2012	12/17/2017	1.50	716,000	-	-	27,500	688,500	688,500	-
06/04/2013	06/04/2018	1.50	200,000	-	-	-	200,000	200,000	-
01/30/2014	01/30/2019	0.65	1,275,000	-	-	35,000	1,240,000	1,240,000	-
05/26/2014	05/26/2019	0.65	300,000	-	-	-	300,000	300,000	-
10/13/2014	10/13/2019	0.75	300,000	-	-	-	300,000	300,000	-
02/08/2016	02/08/2026	0.30	-	1,980,000	-	-	1,980,000	1,320,006	659,994
09/19/2016	09/19/2026	1.00	-	250,000	-	250,000	-	-	-
06/23/2017	06/23/2027	0.78	-	4,850,000	-	-	4,850,000	1,616,670	3,233,330
07/18/2017	07/18/2027	0.78	-	300,000	-	-	300,000	100,000	200,000
Totals			**7,697,775**	**7,380,000**	**250,000**	**1,876,775**	**12,951,000**	**8,857,676**	**4,093,324**
Weighted average exercise price			C$0.90	C$0.66	C$0.38	C$1.50	C$0.69	C$0.53	C$0.70

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on Management's best estimate for the effects of historical forfeitures and behavioural considerations. Expected volatility is based on the historical share price volatility. During the nine month period ended

(Unaudited, expressed in United States dollars)

September 30, 2017, the weighted average market share price at exercise was C$Nil as no options were exercised (2016 - C$1.18). The outstanding options as at September 30, 2017 have a weighted average remaining contractual life of 5.82 years (2016 – 3.85 years).

The Black-Scholes option valuation model input factors used for stock options granted between January 1, 2016 and September 30, 2017 were as follows:

				Weighted average value per stock option				
Grant date	**Expiry date**	**Grant date market price**	**Exercise price**	**Risk-free interest rate**	**Expected life**	**Expected volatility**	**Dividend yield**	**Grant date fair value**
		C$	C$	%	(in years)	%	%	C$
02/08/2016	02/08/2026	0.28	0.30	0.49	3.7	84.18	-	0.16
09/19/2016	09/19/2026	0.62	1.00	0.58	2.8	88.76	-	0.26
06/23/2017	06/23/2027	0.78	0.78	0.84	3.9	85.98	-	0.48
07/17/2017	07/17/2027	0.76	0.78	1.02	4.0	85.61	-	0.47
Weighted average for the period		0.64	0.66	0.75	3.8	85.58	-	0.39

As at September 30, 2017, there was $1,012,146 (2016 – $126,122) of total unrecognized share-based compensation costs related to unvested stock option awards granted under the 2016 Plan that are expected to be recognized over a weighted-average term of 1.09 years.

Dilutive Effect of Stock Options

For the three and nine month periods ended September 30, 2017, 12,951,000 stock options (2016 – 9,492,900) which could have been dilutive were excluded from the computation of diluted earnings per share as the Company realized a net loss and it would be anti-dilutive to include them.

10. NATURE OF EXPENSES

The components of exploration and evaluation costs and general and administrative costs for the three and nine month periods ended September 30 were as follows:

	Three months ended September 30,		**Nine months ended September 30,**	
	2017	2016	**2017**	2016
	$	$	**$**	$
Drilling and assaying	**422,410**	7,283	**1,693,372**	131,060
Exploration and development studies	**111,726**	284,390	**731,518**	552,620
General, camp, infrastructure and other	**334,442**	288,429	**1,104,828**	719,002
Exploration surveys	**16,001**	45,953	**136,714**	139,472
Total exploration and evaluation costs	**884,579**	626,055	**3,666,432**	1,542,154
Salaries and employee costs	**447,024**	210,672	**1,418,634**	632,906
Public company costs	**51,873**	38,305	**219,043**	152,258
Professional fees	**127,282**	46,587	**252,862**	227,838
General and office costs	**328,853**	72,518	**711,248**	218,013
Investor relations and travel	**39,389**	52,391	**146,557**	110,282
Total general and administrative costs	**994,421**	420,473	**2,748,344**	1,341,297

(Unaudited, expressed in United States dollars)

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and nine month periods ended September 30, 2017 was $765,974 and $2,501,037 respectively (2016 – $504,870 and $1,510,169 respectively).

Total general and administrative expense ("G&A") above included both the Company's head office G&A and local office G&A related to operating the Company's subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, director compensation, investor relations and travel, facilities and IT, as well as all costs associated with maintaining the Company's listing on the TSX and TSXV. Total G&A pertaining to the Company's head office for the three and nine month period ended September 30, 2017 was $475,464 and $1,745,489 respectively (2016 – $269,475 and $745,316 respectively).

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the nine month periods ended September 30 were as follows:

	2017	2016
	$	$
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**56,172**	(32,088)
Inventories	**5,764**	506
Prepaid expenses and deposits	**21,360**	6,683
Accounts payable and accrued liabilities	**13,872**	261,303
	97,168	236,404
Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to interest received	**3,145**	(15,851)

12. SEGMENTED INFORMATION

The Company operates in business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties, as carried out through Orezone Inc.

The carrying amounts of interests in exploration properties segmented by geographic area were as follows:

As at	**September 30, 2017**	December 31, 2016
	$	$
Canada	**12,725**	17,226
Burkina Faso	**2,051,233**	2,207,520
	2,063,958	2,224,746

Total additions to the cost of interests in exploration properties segmented by geographic area for the nine month periods ended September 30 were as follows:

	2017	2016
	$	$
Canada	**3,014**	-
Burkina Faso	**45,211**	5,414
	48,225	5,414

13. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed through its exploration and evaluation activities to the following financial risks: foreign currency risk, market price risk, liquidity risk, credit risk and title risk. In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated. The overall objective of the Board of Directors is to set policies that seek to reduce risk without unduly affecting the Company's competitiveness and flexibility.

The Company's financial instruments consist of cash, trade and other receivables, certain refundable deposits, investments, accounts payable and accrued liabilities, and a royalty-based obligation. The fair value of trade and other receivables, refundable deposits, and accounts payable and accrued liabilities are equivalent to their carrying amounts given their short maturity period. The fair value of the available-for-sale investment is determined by reference to the closing quoted market price obtained from the TSX Venture, being the principal exchange upon which it trades as well as the Black-Scholes method of valuation for any component of the available-for-sale investment for which there is no quoted market price available.

Taxes receivable, prepaid expenses and taxes payable balances included in the consolidated statements of financial position do not meet the definition of a financial instrument, and are thus excluded from the analysis of financial instruments and risk that follows:

As at	**September 30, 2017**	December 31, 2016
	$	$
Taxes receivable, included in trade and other receivables	**45,289**	78,783
Prepaid expenses, included in prepaid expenses and deposits	**73,365**	83,700
Taxes payable, included in accounts payable and accrued liabilities	**30,415**	41,454

(a) FOREIGN CURRENCY RISK

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars ("CAD"), United States dollars ("USD"), Euros ("EUR"), and Communauté Financière Africaine francs ("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.

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

As at September 30, 2017	**USD**	**CAD**	**EUR & CFA[1]**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	151,308	12,784,683	423,338	13,359,329
Trade and other receivables	196	14,738	1,881	16,815
Deposits	-	-	22,550	22,550
Investment (classified as available-for-sale)	-	1,313,091	-	1,313,091
	151,504	14,112,512	447,769	14,711,785

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

(Unaudited, expressed in United States dollars)

Financial liabilities				
Accounts payable and accrued liabilities	6,524	220,487	638,037	865,048
Net financial instruments, September 30, 2017	**144,980**	**13,892,025**	**(190,268)**	**13,846,737**

As at December 31, 2016	USD	CAD	EUR & CFA[1]	Total
	$	$	$	$
Financial assets				
Cash	3,828,059	17,591,676	680,033	22,099,768
Trade and other receivables	2,415	17,233	436	20,084
Deposits	-	-	24,598	24,598
	3,830,474	17,608,909	705,067	22,144,450
Financial liabilities				
Accounts payable and accrued liabilities	145,133	210,244	408,658	764,035
Royalty based obligation	3,600,000	-	-	3,600,000
	3,745,133	210,244	408,658	4,364,035
Net financial instruments, December 31, 2016	85,341	17,398,665	296,409	17,780,415

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

As at	**September 30, 2017**	December 31, 2016
	$	$
CAD	**(1,389,203)**	(1,739,867)
EUR & CFA	**19,027**	(29,641)

The Company is also exposed to foreign currency risk on the CFA currency held, as the peg rate to the EUR is periodically reviewed and could be adjusted which may result in a devaluation of currency on hand. The Company manages this risk by minimizing the amount of CFA held at any point in time and by monitoring ongoing discussions concerning the peg rate to ensure that proposed changes are known prior to implementation.

(b) LIQUIDITY RISK

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Company's accounts payable and accrued liabilities are due within one year of the end of the reporting periods. The Company currently has sufficient resources to meet its obligations as they become due. The Company will periodically need to raise funds in the future to continue operations. Although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

(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 to which the Company is exposed is insignificant due to the majority of the cash being held in a Canadian chartered bank and the limited amount of trade and other receivables.

(d) TITLE RISK

(Unaudited, expressed in United States dollars)

Title to mineral property rights involves certain inherent risks due to the potential for problems arising from the ambiguous conveyance history characteristic of many mining properties and from political risk associated with the country in which the Company carries out its exploration activities. The Company has taken all reasonable steps to ensure it has proper title to its properties. However, no guarantees can be provided that there are no unregistered agreements, claims or defects which may result in the Company's title to its properties being challenged. Furthermore, the Company requires a number of different permits and licenses in order to carry on its business and there can be no assurance that they will be renewed upon expiry. The Company is also subject to the risk that a new mineral exploration permit or mining permit will not be issued upon expiration of the third term of an exploration permit, although this has never occurred in the past.

14. FAIR VALUE MEASUREMENTS

(a) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

As at September 30, 2017, the Company's assets and liabilities recorded at fair value were as follows:

				September 30, 2017	December 31, 2016
Fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	Total
	$	**$**	**$**	**$**	$
Assets					
Cash	**13,359,328**	**-**	**-**	**13,359,328**	22,099,768
Investment	**1,313,091**	**-**	**-**	**1,313,091**	-
Liabilities					
Royalty-based obligation	**-**	**-**	**-**	**-**	3,600,000

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.

(b) VALUATION TECHNIQUES

Royalty-based obligation

The valuation of the royalty-based obligation requires certain inputs that are both unobservable and significant, as a result it has been classified as Level 3 in the fair value hierarchy. The Company uses production data and timelines, from technical work completed on its project, as well as observable inputs such as gold price and the risk-adjusted discount rate in valuing the obligation.

Royalty-based obligation included in Level 3	**Nine months ended September 30, 2017**
	$
Balance, beginning of period	3,600,000
Repurchase of the royalty-based obligation in the period	(3,600,000)
Balance, end of period	**-**

15. CAPITAL MANAGEMENT

As at September 30, 2017, the Company's capital consisted of $13,359,328 of cash and $161,396,693 of common shares (as at December 31, 2016 – $22,099,768 and $161,396,693). The Company is not subject to any externally imposed capital requirements. The Company's primary objectives in managing its capital are to maintain sufficient levels of capital to continue its current exploration, development and other operating activities, and to maintain sufficient financial strength and flexibility to support additional future investments in the development of the Company's mining properties. The Company achieves its objectives by rationally allocating capital in accordance with Management's strategies, periodically raising capital from investors and/or the development and divestiture of non-core assets.

(Unaudited, expressed in United States dollars)

16. COMMITMENTS

As at September 30, 2017, the Company had contractual obligations for head office rent, professional fees, community relations, feasibility study update costs, communication services, camp catering costs, drilling activities, IT services and equipment and inventory purchases and rentals in the amount of $742,007 (as at December 31, 2016 – $707,076). The schedule of certain payments is dependent upon the contractors' ability to complete various milestones, however it is expected that the majority of the commitments will be payable throughout the 2017 and 2018 fiscal years.

Subsequent to September 30, 2017, the Company entered into further contractual obligations in the amount of $807,586 for feasibility study update costs, training, and equipment and inventory purchases and rentals, of which the majority are expected to be payable throughout the 2017 and 2018 fiscal years.

17. KEY MANAGEMENT COMPENSATION

Key Management, Personnel and Director compensation for the three and nine month periods ended September 30 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Short-term key management personnel compensation and benefits and director fees	**260,820**	197,167	**863,238**	532,949
Key management personnel termination benefits	**-**	**-**	**451,260**	-
Share-based compensation	**179,824**	23,484	**797,693**	155,825
	440,644	220,651	**2,112,191**	688,774

18. RELATED PARTY

Related parties purchased 3,800,000 common shares in the March 30, 2016 private placement and on the same terms and conditions as other subscribers. In addition, a related party purchased 100,000 common shares in the July 19, 2016 prospectus financing on the same terms and conditions as other subscribers. The Company had no other transactions with related parties for the three or nine month periods ended September 30, 2017 or the year ended December 31, 2016.