



OREZONE GOLD CORPORATION

Condensed Consolidated Interim Financial Statements

For the three month period ended March 31, 2020

(Unaudited, Expressed in United States dollars)

Orezone Gold Corporation

Condensed Consolidated Interim 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 month period ended March 31, 2020 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
Condensed Consolidated Interim Statements of Financial Position
(Unaudited, expressed in United States dollars)

| As at | March 31, 2020 | December 31, 2019 |
|--|---------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$17,992,749 | \$11,855,497 |
| Trade and other receivables | 54,542 | 46,735 |
| Inventories | 415,692 | 471,371 |
| Prepaid expenses and deposits | 231,057 | 821,058 |
| Total current assets | 18,694,040 | 13,194,661 |
| Non-current assets | | |
| Mineral properties, plant and equipment (Note 3) | 2,810,469 | 3,065,967 |
| Marketable securities | 237,073 | 516,213 |
| Total assets | \$21,741,582 | \$16,776,841 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$2,684,173 | \$3,657,593 |
| Non-current liabilities | | |
| Lease liabilities | 197,370 | 230,780 |
| Total liabilities | 2,881,543 | 3,888,373 |
| Equity | | |
| Share capital | 211,539,172 | 198,203,211 |
| Reserves | 19,437,913 | 19,838,222 |
| Accumulated deficit | (203,503,587) | (197,149,242) |
| Equity attributable to shareholders | 27,473,498 | 20,892,191 |
| Non-controlling interest | (8,613,459) | (8,003,723) |
| Total equity | 18,860,039 | 12,888,468 |
| Total liabilities and equity | \$21,741,582 | \$16,776,841 |

Commitments (Note 8)
Subsequent Event (Note 9)

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 May 28, 2020:

/s/ Patrick Downey _____

Patrick Downey
Director

/s/ Ronald Batt _____

Ronald Batt
Director

Orezone Gold Corporation

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three month periods ended March 31, 2020 and 2019

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

| | Three months ended | |
|--|----------------------|---------------|
| | 2020 | 2019 |
| Expenses | | |
| Exploration and evaluation costs (Note 5) | \$5,345,143 | \$2,867,444 |
| General and administrative costs (Note 5) | 930,304 | 1,050,007 |
| Share-based compensation (Note 4(b)) | 132,441 | 538,883 |
| Depreciation and amortization (Note 3) | 204,045 | 114,949 |
| Total Expenses | 6,611,933 | 4,571,283 |
| Other (loss) income | | |
| Foreign exchange loss | (89,787) | (49,661) |
| Finance income | 87,725 | 165,297 |
| Finance expense | (5,119) | (6,508) |
| Fair value (loss) gain on marketable securities | (253,005) | 217,670 |
| Other (loss) income | (260,186) | 326,798 |
| Net loss for the period | (6,872,119) | (4,244,485) |
| Net loss attributable to: | | |
| Shareholders | (6,354,345) | (4,018,206) |
| Non-controlling interest | (517,774) | (226,279) |
| Net loss for the period | (6,872,119) | (4,244,485) |
| Other comprehensive (loss) income | | |
| Foreign currency translation (loss) income | (1,524,538) | 650,372 |
| Total other comprehensive (loss) income | (1,524,538) | 650,372 |
| Comprehensive loss for the period | (8,396,657) | (3,594,113) |
| Comprehensive loss attributable to: | | |
| Shareholders | (7,786,921) | (2,938,158) |
| Non-controlling interest | (609,736) | (655,955) |
| Comprehensive loss for the period | (\$8,396,657) | (\$3,594,113) |
| Net loss per common share attributable to the shareholders of the Company, basic and diluted | (\$0.03) | (\$0.02) |
| Weighted-average number of common shares outstanding, basic and diluted | 238,991,695 | 210,893,133 |

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 three month periods ended March 31, 2020 and 2019

(Unaudited, expressed in 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 | Other Reserves | | | | |
| | # | \$ | (Note 4) | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, January 1, 2020 | 213,376,906 | 198,203,211 | 15,952,323 | (1,162,189) | 5,048,088 | (197,149,242) | 20,892,191 | (8,003,723) | 12,888,468 |
| Shares issued (Note 4) | 37,595,900 | 15,384,795 | - | - | - | - | 15,384,795 | - | 15,384,795 |
| Shares issuance costs (Note 4) | - | (1,186,051) | - | - | - | - | (1,186,051) | - | (1,186,051) |
| Warrants issued (Note 4) | - | (920,079) | - | - | 920,079 | - | - | - | - |
| Stock options exercised | 175,000 | 57,296 | (20,253) | - | - | - | 37,043 | - | 37,043 |
| Share-based compensation | - | - | 132,441 | - | - | - | 132,441 | - | 132,441 |
| Foreign currency translation | - | - | - | (1,432,576) | - | - | (1,432,576) | (91,962) | (1,524,538) |
| Net loss for the period | - | - | - | - | - | (6,354,345) | (6,354,345) | (517,774) | (6,872,119) |
| Balance, March 31, 2020 | 251,147,806 | 211,539,172 | 16,064,511 | (2,594,765) | 5,968,167 | (203,503,587) | 27,473,498 | (8,613,459) | 18,860,039 |

| | Share capital | | Reserves | | | Accumulated deficit | Equity attributable to shareholders | Non-controlling interest | Total Equity |
|---------------------------------|--------------------|--------------------|----------------------|------------------------------|------------------|----------------------|-------------------------------------|--------------------------|--------------------|
| | Shares | Amount | Share-based payments | Foreign currency translation | Other Reserves | | | | |
| | # | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, January 1, 2019 | 210,385,364 | 196,711,419 | 15,356,496 | (2,133,919) | 5,048,088 | (176,315,027) | 38,667,057 | (6,495,095) | 32,171,962 |
| Shares issued | 1,975,000 | 912,080 | (377,625) | - | - | - | 534,455 | - | 534,455 |
| Shares cancelled | (45,958) | - | - | - | - | - | - | - | - |
| Share-based compensation | - | - | 538,883 | - | - | - | 538,883 | - | 538,883 |
| Foreign currency translation | - | - | - | 1,080,048 | - | - | 1,080,048 | (429,676) | 650,372 |
| Net loss for the period | - | - | - | - | - | (4,018,206) | (4,018,206) | (226,279) | (4,244,485) |
| Balance, March 31, 2019 | 212,314,406 | 197,623,499 | 15,517,754 | (1,053,871) | 5,048,088 | (180,333,233) | 36,802,237 | (7,151,050) | 29,651,187 |

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 three month periods ended March 31, 2020 and 2019
(Unaudited, expressed in United States dollars)

| | 2020 | 2019 |
|---|------------------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the period | (\$6,872,119) | (\$4,244,485) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Depreciation and amortization | 204,045 | 114,949 |
| Share-based compensation | 132,441 | 538,883 |
| Finance income | (87,725) | (165,297) |
| Finance expense | 5,119 | 6,508 |
| Unrealized foreign exchange loss | 89,787 | 49,661 |
| Fair value loss (gain) on marketable securities | 253,005 | (217,670) |
| Changes in non-cash operating working capital (Note 6) | (210,426) | (974,044) |
| Total cash outflows used in operating activities | (6,485,873) | (4,891,495) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment (Note 3) | (215,475) | (396,611) |
| Interest received | 85,739 | 172,930 |
| Total cash outflows from investing activities | (129,736) | (223,681) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from public offering (Note 4(a)) | 15,384,795 | - |
| Share issue costs (Note 4(a)) | (1,186,051) | - |
| Proceeds from exercise of stock options (Note 4(b)) | 37,043 | 534,455 |
| Lease principal payments | (15,790) | (14,552) |
| Interest paid | (5,119) | (6,508) |
| Total cash inflows from financing activities | 14,214,878 | 513,395 |
| Effect of foreign currency translation on cash | (1,462,017) | 600,860 |
| Increase (decrease) in cash | 6,137,252 | (4,000,921) |
| Cash, beginning of period | 11,855,497 | 31,453,567 |
| Cash, end of period | \$17,992,749 | \$27,452,646 |

Supplemental cash flow information is provided in Note 6.

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

Orezone Gold Corporation
Notes to the Condensed Consolidated Interim Financial Statements
For the three month periods ended March 31, 2020 and 2019
(Unaudited, expressed in United States dollars)

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 TSX Venture Exchange (TSXV) under the symbol ORE (common shares) and ORE.WT (warrants) and on the OTCQX under the symbol ORZCF (common shares). The Company is engaged in the exploration and development of gold properties in Burkina Faso, West Africa, focusing on its 90%-owned flagship Bomboré gold project (“Bomboré” or “Bomboré Project”). The Company’s strategic plan is to bring its multi-million ounce Bomboré Project into production by commencing full-scale mine construction upon securing project financing.

These financial statements have been prepared on the accounting basis that the Company is a going concern which assumes the Company will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future that may affect the Company which includes, at a minimum, the next twelve months from the end of the reporting period.

The Company has released the results of an updated feasibility study (“2019 FS”) for the Bomboré Project which included a staged Phase II sulphide expansion. The 2019 FS demonstrates that the Bomboré Project has positive economics under a base case gold price of \$1,300/ounce. The Company is currently exploring financing options to fund the construction of the Bomboré mine; however, the outbreak of the COVID-19 virus has impacted the Company’s financing and development timetable. As a result, the Company has not yet determined if the required financing to construct and commission the Bomboré Project can be obtained on satisfactory terms or at all. Management has forecasted its cash requirements for the next twelve months and believes that the Company has sufficient funds to continue operations for this period. This assessment is based on the Company’s budget and available cash, and from the discretionary nature of certain planned expenditures which may be deferred without a significant detrimental impact to the Company or its mineral property interests.

The address of the Company’s principal office is 1111 Melville Street, Suite 910, Vancouver, British Columbia, Canada V6E 3V6.

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, 2019 (the “2019 Annual Financial Statements”), which have been prepared in accordance with IFRS.

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2019 Annual Financial Statements.

These Interim Financial Statements were authorized for issue by the Board of Directors on May 28, 2020.

(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 5 of the 2019 Annual Financial Statements and have been

Orezone Gold Corporation
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited, expressed in United States dollars)

consistently applied in the preparation of these Interim Financial Statements for the three month periods ended March 31, 2020 and 2019.

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

3. MINERAL PROPERTIES, PLANT AND EQUIPMENT

| Mineral properties, plant and equipment | Three months ended March 31, 2020 | Year ended December 31, 2019 |
|--|--|---|
| | \$ | \$ |
| Cost, beginning of period | 9,094,212 | 7,741,656 |
| Additions | 61,920 | 1,500,056 |
| Disposals | - | (126,483) |
| Foreign currency translation | (228,710) | (21,017) |
| Cost, end of period | 8,927,422 | 9,094,212 |
| Accumulated depreciation, beginning of period | 6,028,245 | 5,556,803 |
| Depreciation | 204,045 | 624,793 |
| Disposals | - | (126,483) |
| Foreign currency translation | (115,337) | (26,868) |
| Accumulated depreciation, end of the period | 6,116,953 | 6,028,245 |
| Carrying amounts, beginning of period | 3,065,967 | 2,184,853 |
| Carrying amounts, end of the period | 2,810,469 | 3,065,967 |

| Assets not subject to depreciation | Land | Mineral property rights | Construction in progress | Total |
|---|----------------|--|-------------------------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Cost, being carrying amount | | | | |
| Balance, January 1, 2019 | 156,581 | 692,318 | 304,495 | 1,153,394 |
| Additions | - | - | 245,360 | 245,360 |
| Transfers | - | - | (544,416) | (544,416) |
| Foreign currency translation | (2,700) | 28,616 | (5,439) | 20,477 |
| Balance, December 31, 2019 | 153,881 | 720,934 | - | 874,815 |
| Foreign currency translation | (2,699) | (54,894) | - | (57,593) |
| Balance, March 31, 2020 | 151,182 | 666,040 | - | 817,222 |

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

(Unaudited, expressed in United States dollars)

| Assets subject to depreciation | Building | Capital improvements | Field equipment | Vehicles | Equipment and furniture | Total |
|-----------------------------------|------------------|----------------------|------------------|----------------|-------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | |
| Balance, January 1, 2019 | 2,167,129 | 1,379,049 | 2,169,650 | 502,726 | 369,708 | 6,588,262 |
| Additions | 461,644 | 95,934 | 4,774 | 203,441 | 488,903 | 1,254,696 |
| Disposals | - | - | (19,810) | (4,720) | (101,953) | (126,483) |
| Transfers from CIP | 498,370 | 10,200 | 32,232 | - | 3,614 | 544,416 |
| Foreign currency translation | (34,435) | (23,495) | 20,854 | (10,584) | 6,166 | (41,494) |
| Balance, December 31, 2019 | 3,092,708 | 1,461,688 | 2,207,700 | 690,863 | 766,438 | 8,219,397 |
| Additions | - | 20,173 | - | - | 41,747 | 61,920 |
| Foreign currency translation | (71,788) | (25,401) | (39,134) | (12,121) | (22,673) | (171,117) |
| Balance, March 31, 2020 | 3,020,920 | 1,456,460 | 2,168,566 | 678,742 | 785,512 | 8,110,200 |
| Accumulated depreciation | | | | | | |
| Balance, January 1, 2019 | 1,761,909 | 1,277,904 | 1,782,128 | 499,925 | 234,937 | 5,556,803 |
| Depreciation for the year | 294,478 | 36,917 | 92,378 | 63,799 | 137,221 | 624,793 |
| Disposals | - | - | (19,810) | (4,720) | (101,953) | (126,483) |
| Foreign currency translation | (28,396) | (21,887) | 29,132 | (6,681) | 964 | (26,868) |
| Balance, December 31, 2019 | 2,027,991 | 1,292,934 | 1,883,828 | 552,323 | 271,169 | 6,028,245 |
| Depreciation for the period | 84,326 | 12,273 | 27,211 | 15,484 | 64,751 | 204,045 |
| Foreign currency translation | (39,841) | (22,535) | (33,134) | (9,504) | (10,323) | (115,337) |
| Balance, March 31, 2020 | 2,072,476 | 1,282,672 | 1,877,905 | 558,303 | 325,597 | 6,116,953 |
| Carrying amounts as at: | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| December 31, 2019 | 1,064,717 | 168,754 | 323,872 | 138,540 | 495,269 | 2,191,152 |
| March 31, 2020 | 948,444 | 173,788 | 290,661 | 120,439 | 459,915 | 1,993,247 |

Bomboré, Burkina Faso

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

The original Bomboré I exploration permit (104.5 km²) expired on February 17, 2016 after the Company had applied for a mining permit in May 2015. Three exploration permits were received on January 17, 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 with the permit referenced against the 2015 Mining Code. The Bomboré project now consists of the mining permit (25 km²) and four exploration permits; Toéyoko (46.7 km²), Bomboré II (18.2 km²), Bomboré III (48.1 km²) and Bomboré IV (12.4 km²). 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 which is set to expire on July 13, 2020. The Bomboré II, Bomboré III and Bomboré IV permits were renewed in January 2020 for an additional three-year term and will now expire on January 16, 2023.

Orezone Gold Corporation
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited, expressed in United States dollars)

4. SHARE CAPITAL

(a) CAPITAL STOCK

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

On January 29, 2020, the Company closed a bought-deal public offering of 37,595,900 units at a price of C\$0.54 per unit ("Units") for gross proceeds of C\$20,301,786 (\$15,384,795) and net proceeds of C\$18,736,673 (\$14,198,744) after underwriter commissions, legal fees, and other offering expenses. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole share purchase warrant, a "Warrant"). In connection with the public offering, the Company paid the underwriters a cash commission equal to 6.0% of the gross proceeds.

(b) SHARE-BASED PAYMENTS

The following table summarizes the number of stock options that the Company has outstanding at March 31, 2020 including details of options granted, exercised, expired and forfeited during the period:

| Grant date | Expiry date | Exercise price | Opening balance | Activity during the period | | | Closing balance | Vested and exercisable |
|--|-------------|----------------|-------------------|----------------------------|----------------|--------------------|-------------------|------------------------|
| | | | | Granted | Exercised | Expired/ Forfeited | | |
| | | C\$ | # | # | # | # | # | |
| 07/08/2010 | 07/08/2020 | 0.85 | 295,000 | - | - | - | 295,000 | 295,000 |
| 10/21/2010 | 10/21/2020 | 2.35 | 200,000 | - | - | 200,000 | - | - |
| 02/08/2016 | 02/08/2026 | 0.30 | 1,405,000 | - | 175,000 | - | 1,230,000 | 1,230,000 |
| 06/23/2017 | 06/23/2027 | 0.78 | 4,500,000 | - | - | 200,000 | 4,300,000 | 4,300,000 |
| 07/17/2017 | 07/17/2027 | 0.78 | 300,000 | - | - | - | 300,000 | 300,000 |
| 01/11/2018 | 01/11/2028 | 0.81 | 1,293,505 | - | - | 100,005 | 1,193,500 | 1,193,500 |
| 07/23/2018 | 07/23/2023 | 0.80 | 2,968,333 | - | - | 68,333 | 2,900,000 | 1,933,341 |
| 02/21/2019 | 02/21/2024 | 0.53 | 3,815,000 | - | - | 50,000 | 3,765,000 | 2,510,008 |
| 04/17/2019 | 04/17/2024 | 0.53 | 600,000 | - | - | - | 600,000 | 200,000 |
| 04/23/2019 | 04/23/2024 | 0.53 | 200,000 | - | - | - | 200,000 | 66,666 |
| 11/21/2019 | 11/04/2024 | 0.62 | 800,000 | - | - | - | 800,000 | 266,666 |
| Totals | | | 16,376,838 | - | 175,000 | 618,338 | 15,583,500 | 12,295,181 |
| Weighted average exercise price | | | C\$0.69 | - | C\$0.30 | C\$1.27 | C\$0.67 | C\$0.68 |

The outstanding options as at March 31, 2020 have a weighted average remaining contractual life of 5.18 years (December 31, 2019 – 4.42 years).

(c) WARRANTS

On January 29, 2020, pursuant to the bought-deal public offering disclosed in Note 4(a), the Company issued 37,595,900 units consisting of one common share and one-half of one common share purchase warrant. This resulted in the issuance of 18,797,950 warrants. Each Warrant entitles the holder to acquire one common share of the Company until January 29, 2023 at an exercise price of C\$0.80. The Warrants have been listed for trading on the TSXV under the symbol ORE.WT. The Company has allocated the gross proceeds from the unit issuance between the common shares and warrants using their relative fair values with unit issuance costs allocated on the same basis.

As at March 31, 2020, 18,797,950 warrants are outstanding. The weighted average remaining contractual life of the warrants is 2.8 years.

Orezone Gold Corporation
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(Unaudited, expressed in United States dollars)

5. NATURE OF EXPENSES

The components of exploration and evaluation costs, and general and administrative costs for the three month periods ended March 31 were as follows:

| | Three months ended | |
|---|---------------------------|--------------------|
| | March 31, | |
| | 2020 | 2019 |
| Exploration and development studies | \$170,337 | \$1,180,447 |
| Salaries and employee costs | 1,137,682 | 817,610 |
| Resettlement Action Plan implementation | 3,175,642 | 212,720 |
| General, camp, infrastructure and other | 861,482 | 656,667 |
| Total exploration and evaluation costs | \$5,345,143 | \$2,867,444 |
| Salaries and employee costs | \$529,866 | \$749,497 |
| Public company costs | 63,378 | 59,103 |
| Professional fees | 191,397 | 102,598 |
| General and office costs | 78,136 | 107,041 |
| Investor relations | 67,527 | 31,768 |
| Total general and administrative costs | \$930,304 | \$1,050,007 |

The Resettlement Action Plan ("RAP") implementation relates to the relocation of several villages to eight nearby resettlement sites required to access key areas for construction within Bomboré's mining lease.

6. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the three month periods ended March 31 were as follows:

| | 2020 | 2019 |
|---|--------------------|-------------|
| Changes in non-cash working capital impacting cash flows from operating activities were as follows: | | |
| Trade and other receivables | (\$14,062) | (\$41,116) |
| Inventories | 55,679 | 13,474 |
| Prepaid expenses and deposits | 601,252 | (127,855) |
| Accounts payable and accrued liabilities | (853,295) | (818,547) |
| | (\$210,426) | (\$974,044) |

7. FINANCIAL INSTRUMENTS AND RISKS

The Company's existing operations involve the exploration and development of its Bomboré gold project 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.

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For the three month periods ended March 31, 2020 and 2019
(Unaudited, expressed in United States dollars)

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

| As at March 31, 2020 | US\$ | C\$ | EUR & CFA¹ | Total |
|--|-------------------|---------------------|----------------------------------|---------------------|
| Financial assets | | | | |
| Cash | \$249,436 | \$16,726,626 | \$1,016,687 | \$17,992,749 |
| Trade and other receivables | 2,533 | 26,354 | 587 | 29,474 |
| Deposits | 13,734 | 14,859 | 92,080 | 120,673 |
| Marketable securities | - | 237,073 | - | 237,073 |
| | 265,703 | 17,004,912 | 1,109,354 | 18,379,969 |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | 243,206 | 259,477 | 2,067,891 | 2,570,574 |
| Lease liabilities | - | 194,127 | 3,243 | 197,370 |
| Net financial instruments | \$22,497 | \$16,551,308 | (\$961,780) | \$15,612,025 |
| As at December 31, 2019 | | | | |
| | US\$ | C\$ | EUR & CFA¹ | Total |
| Financial assets | | | | |
| Cash | \$224,939 | \$10,846,293 | \$784,265 | \$11,855,497 |
| Trade and other receivables | 2,721 | 24,661 | 641 | 28,023 |
| Deposits | 3,547 | 11,146 | 762,042 | 776,735 |
| Marketable securities | - | 516,213 | - | 516,213 |
| | \$231,207 | \$11,398,313 | \$1,546,948 | \$13,176,468 |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | 302,017 | 226,459 | 3,003,129 | 3,531,605 |
| Lease liabilities | - | 226,864 | 3,916 | 230,780 |
| Net financial instruments | (\$70,810) | \$10,944,990 | (\$1,460,097) | \$9,414,083 |

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

| As at | March 31, 2020 | Dec. 31, 2019 |
|--------------|-----------------------|----------------------|
| C\$ | (\$1,655,131) | (\$1,094,499) |
| EUR & CFA | \$96,178 | \$146,010 |

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 any proposed changes are considered 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.

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

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As the Company is in the exploration and development stage, the Company will periodically need to raise funds to continue operations.

(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 considered insignificant as the majority of the Company's cash is held with a large Canadian chartered bank in interest-bearing accounts and from the limited carrying amount of trade and other receivables.

(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 | March 31, 2020 | Level 1 | Dec. 31, 2019 |
|-----------------------|------------|-------------------|------------|------------------|
| | \$ | \$ | \$ | \$ |
| Cash | 17,992,749 | 17,992,749 | 11,855,497 | 11,855,497 |
| Marketable securities | 237,073 | 237,073 | 516,213 | 516,213 |

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.

8. COMMITMENTS

As at March 31, 2020, the Company had contractual obligations of \$487,000 (December 31, 2019 – \$1,547,000) mainly in connection with the RAP and planned security upgrades at Bomboré. The following table summarizes the remaining contractual maturities of the Company's operating and capital commitments at March 31, 2020, shown in contractual undiscounted cashflows:

| | March 31, 2020 |
|----------------------------|-------------------|
| Less than one year | \$487,000 |
| Between one and five years | - |
| Thereafter | - |
| | \$487,000 |

9. SUBSEQUENT EVENT

On May 5, 2020, the Company granted stock options for a total of 5,167,000 common shares of the Company to directors, officers, and employees. These stock options are exercisable at C\$0.54 per common share and will expire on May 5, 2025.