OREZONE GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

This Management’s Discussion and Analysis (“MD&A”) was prepared by management, and was reviewed and approved by the Board of Directors (“Board”) on May 13, 2024, the date of this MD&A. The following discussion of performance, financial condition, and future prospects should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2024 (“Interim Financial Statements”), which have been prepared in accordance with International Financial Reporting Standard, as issued by the International Accounting Standards Board (“IFRS”).

All dollar figures in this MD&A are in United States dollars and all tabular amounts are in thousands, unless stated otherwise. References to “$” or “US$” are to United States dollars, references to “C$” are to Canadian dollars, and references to “CFA” or “XOF” are to West African Communauté Financière Africaine francs. Abbreviations “M” means millions, “K” means thousands, “km” means kilometres, “m” means metres, “oz” means troy ounces, “Q1” means first quarter.

Corporate Information

Orezone Gold Corporation (the “Company”) was incorporated on December 1, 2008 under the Canada Business Corporations Act and is listed on the Toronto Stock Exchange (TSX) under the symbol ORE and on the OTCQX under the symbol ORZCF.

The Company is a West African gold producer engaged in mining, developing, and exploring its 90%-owned flagship Bomboré gold mine (“Bomboré”) in Burkina Faso. The Bomboré mine achieved commercial production on its Phase I oxide operations on December 1, 2022, and is now focussed on its staged Phase II hard rock expansion that is expected to materially increase annual and life-of-mine gold production from the processing of hard rock mineral reserves. The Company is currently in advanced discussions with its senior lender for additional financing to fund the construction of this brownfield expansion.

2024 First Quarter Highlights and Significant Subsequent Events

(All mine site figures on a 100% basis)		Q1-2024	Q1-2023
Operating Performance			
Gold production	oz	30,139	41,301
Gold sales	oz	31,229	43,139
Average realized gold price	$/oz	2,066	1,892
Cash costs per gold ounce sold[1]	$/oz	1,127	799
All-in sustaining costs[1] ("AISC") per gold ounce sold	$/oz	1,324	926
Financial Performance			
Revenue	$000s	64,685	81,712
Earnings from mine operations	$000s	26,882	39,670
Net income attributable to shareholders of Orezone[1]	$000s	11,697	22,560
Net income per common share attributable to shareholders of Orezone[1] Basic Diluted	 $ $	 0.03 0.03	 0.07 0.06
Adjusted EBITDA[1]	$000s	25,928	42,645
Adjusted earnings attributable to shareholders of Orezone[1]	$000s	7,736	24,574
Adjusted earnings per share attributable to shareholders of Orezone[1]	$	0.02	0.07
Cash and Cash Flow Data			
Operating cash flow before changes in working capital	$000s	20,357	41,137
Operating cash flow	$000s	13,637	38,926
Free cash flow[1]	$000s	2,013	31,498
Cash, end of period	$000s	15,597	45,172

[1] 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.

- **Safety:** Continued strong safety performance in Q1-2024 with 1.41 million hours worked without a lost-time injury.
- **Debt Reduction:** Principal repayment of XOF 3.0 billion ($5.0 million) in Q1-2024 on the Company's senior loans with Coris Bank International ("Coris Bank").
- **Liquidity:** On May 10, 2024, the Company closed and drew down on a XOF 12.0 billion (~$20 million) bridge loan with Coris Bank in order to improve the Company's cash position. The Company intends to refinance the bridge loan with the project loan for the Phase II hard rock expansion with Coris Bank expected in Q3-2024.

2024 Outlook

2024 Guidance for Bomboré Mine

Operating Guidance (100% basis)	Unit	2024 Guidance
Gold production	Au oz	110,000 – 125,000
All-In Sustaining Costs[1,2,3]	$/oz Au sold	$1,300 - $1,375
Sustaining capital[2]	$M	$14 - $15
Growth capital (excluding Phase II Expansion)[2]	$M	$16 - $17
Growth capital – Phase II Expansion	$M	see commentary below

1. AISC is a non-IFRS measure. See "Non-IFRS Measures" section below for additional information.
2. Foreign exchange rates used to forecast cost metrics include XOF/USD of 600 and CAD/USD of 1.30.

3. Government royalties included in AISC assumes an average gold price of $2,000 per oz.

Gold production in 2024 is forecasted to range between 110,000 to 125,000 gold ounces with quarterly production expected to be higher in the first and last quarters of the year. Mining will remain confined to the northern zone of the mining permit in the first half of the year until better grade oxide ore can be accessed in the southern zone. Staged access to higher-grade southern pits will become available as Phases II and III of the resettlement action plan ("RAP") progresses. The 2024 mine plan anticipates the start of mining in the Siga East pit in Q3-2024 after families are relocated to their new homes at the MV3 resettlement site. Gold production will decline from 2023 output levels as the prior year benefitted from the processing of higher-grade stockpiles accumulated during the construction phase and the sequencing of higher-grade pits in earlier periods of the mine plan in the northern zone. Restrictions in accessing all areas of the southern zone from the finalization of the ongoing RAP construction will postpone the mining of some higher grade pits in this zone from 2024 into 2025.

AISC per ounce sold is estimated to fall within the range of $1,300/oz to $1,375/oz for 2024. AISC per ounce is expected to increase from 2023 due to a combination of lower forecasted head grades and production, higher unit mining costs and strip ratio as mining deepens and more transition material is encountered, and higher royalty rates and assumed gold price, partially offset by lower processing costs as the mine switches to lower-cost grid power as the primary power source.

Sustaining capital is expected to range between $14M to $15M with $5M to $6M dedicated towards the tailings storage facility expansion (stage 3 and stage 4 lifts). Other areas of sustaining capital cover mine and mine infrastructure, process plant improvements, security, and camp. Planned expenditures for mining and mine infrastructure is budgeted at over $6.0M and include the purchase of two new RC drill rigs and spares for grade control (replacing more expensive contractor drills), construction of a new explosives magazine (to reduce the frequency of explosives deliveries and associated costs), southern extension of the main haul road, and additional perimeter fencing to restrict public access to new active mining areas.

Growth capital consists of two carryover projects from 2023:

(i) Power connection to Burkina Faso's national grid ($1.0M)

System commissioning of the newly installed transmission line and substations.

(ii) Resettlement Action Plan – Phases II and III ($15M to $16M)

RAP Phases II and III commenced in 2023 and will see the construction of over 2,200 private and public structures in three new resettlement communities (MV3, MV2, and BV2) to help relocate communities occupying areas in the southern half of the Bomboré mining permit. For 2024, construction costs of $10.0M to $10.5M are forecasted to carry out the completion of MV3 and for the start and expected completion of MV2. RAP costs of $5.0M - $5.5M are estimated for compensation, consultants, relocation allowances, and livelihood restoration programs.

The Phase II Hard Rock Expansion

A hard rock plant, to complement the existing Phase I oxide plant, is required to process the fresh rock and lower transition mineral reserves of the Bomboré orebody.

The Company originally contemplated constructing a 4.4 million tonnes per annum ("Mtpa") hard rock plant in a single stage as outlined in its 2023 feasibility study. Following a recent review of available financing sources, the Company has decided to complete this brownfield expansion in two stages to better manage its capital requirements. Stage 1 will consist of an initial 2.5Mtpa hard rock plant, with a future Stage 2 expansion increasing hard rock plant throughput to 5.0Mtpa – 7.0Mtpa.

A preliminary capital cost for this initial 2.5Mtpa hard rock plant is estimated at $80 million, significantly less than the $167.5 million estimated for the 4.4Mtpa hard rock plant. The Company expects to finance the construction costs of this Stage 1 hard rock plant (rescoped "Phase II Hard Rock Expansion") primarily through senior debt and cash flow generated from its Phase I oxide operations during the construction period.

The Company has significantly advanced discussions with Coris Bank for additional project debt and anticipates concluding a binding debt commitment in June 2024. Based on forecasted construction and key equipment timelines, the Company expects first gold from the Phase II Hard Rock Expansion to be achieved in late 2025.

The Company intends to provide more detailed guidance for its Phase II Hard Rock Expansion later this year after the Company has secured a binding debt commitment and Board approval to proceed with the expansion.

Bomboré Gold Mine, Burkina Faso (100% Basis)

Operating Highlights

		Q1-2024	Q1-2023
Safety			
Lost-time injuries frequency rate (LTIFR)	per 1M hours	0.00	0.00
Personnel-hours worked	000s hours	1,410	928
Mining Physicals			
Ore tonnes mined	tonnes	2,402,533	2,205,056
Waste tonnes mined	tonnes	3,123,099	2,382,135
Total tonnes mined	tonnes	5,525,631	4,587,191
Strip ratio	waste:ore	1.3	1.1
Processing Physicals			
Ore tonnes milled	tonnes	1,355,619	1,445,693
Head grade milled	Au g/t	0.78	0.96
Recovery rate	%	89.0	92.2
Gold produced	Au oz	30,139	41,301
Unit Cash Cost			
Mining cost per tonne	$/tonne	3.48	2.91
Mining cost per ore tonne processed	$/tonne	8.02	6.51
Processing cost	$/tonne	9.24	9.21
Site general and admin ("G&A") cost	$/tonne	3.79	3.23
Cash cost per ore tonne processed	$/tonne	21.05	18.96
Cash Costs and AISC Details			
Mining cost (net of stockpile movements)	$000s	10,867	9,417
Processing cost	$000s	12,520	13,322
Site G&A cost	$000s	5,134	4,667
Refining and transport cost	$000s	117	148
Government royalty cost	$000s	5,132	4,912
Gold inventory movements	$000s	1,416	2,019
Cash costs[1] on a sales basis	**$000s**	**35,186**	**34,485**
Sustaining capital	$000s	4,018	3,530
Sustaining leases	$000s	73	187
Corporate G&A cost	$000s	2,069	1,731
All-In Sustaining Costs[1] on a sales basis	**$000s**	**41,346**	**39,933**
Gold sold	Au oz	31,229	43,139
Cash costs per gold ounce sold[1]	**$/oz**	**1,127**	**799**
All-In Sustaining Costs per gold ounce sold[1]	**$/oz**	**1,324**	**926**

[1] Non-IFRS measure. See "Non-IFRS Measures" section for additional details.

Bomboré Production Results

Gold production in Q1-2024 was 30,139 ounces, a decline of 27% from the 41,301 ounces produced in Q1-2023. The lower gold production is attributable to an 18% decrease in head grades, a 6% decline in plant throughput, and a 3% decrease in plant recoveries. The better head grade achieved in Q1-2023 was primarily the result of processing of high-grade stockpiles accumulated during the Phase I construction which have now been fully depleted. Mill availability in Q1-2024 was impacted by the commissioning of grid power to site and from the shortage of power from the national grid towards the end of the quarter. In addition, as mining deepens in the certain pits, the quantity of transition ore has started to increase. The presence of transition ore results in slightly lower metallurgical recoveries, lower plant throughput, and additional plant maintenance due to the harder nature of the ore.

Plant throughput, head grades, and recoveries are expected to improve from a greater blend of oxide ore once mining commences at Siga East in Q3-2024.

Bomboré Operating Costs

AISC per gold ounce sold in Q1-2024 was $1,324, a 43% increase from the $926 per ounce sold in Q1-2023. The higher AISC is primarily the result of: (a) lower Q1-2024 gold production and sales as explained above; (b) greater per ounce royalty costs from new royalty rates that took effect in October 2023 and from a higher realized selling price; and (c) increased mining costs.

Cash cost per ore tonne processed in Q1-2024 was $21.05 per tonne, an increase of 11% from the $18.96 per tonne in Q1-2023. The higher cash cost in Q1-2024 was predominantly due to increased mining and site G&A costs, and from fewer ore tonnes processed. Mining costs have increased as lower benches are mined resulting in longer hauls and more transition material that requires drill-and-blast prior to excavation. In addition, unit mining costs have increased from a higher strip ratio and more management fees from the mobilization of a second mining contractor in July 2023 to supplement material movement of the main mining contractor. Site G&A costs reflect greater spending for security as the Company expands its operations into the southern portion of the mining permit.

Processing costs per ore tonne has remained relatively stable from $9.21 per tonne in Q1-2023 to $9.24 per tonne in Q1-2024. Unit processing costs were expected to decline in Q1-2024 from 2023 levels upon the introduction of grid power to the Bomboré mine at the end of January 2024; however, the power costs savings from using grid power has been offset by greater blend of transition ore requiring higher per tonne consumption of power, grinding media, and main reagents; more plant maintenance to address higher equipment wear; and from lower plant throughput resulting in fixed processing costs being absorbed over fewer tonnes in Q1-2024. Furthermore, the mine relied on more self generated power beginning in March 2024 from lower-than-expected availability of grid power as the dry season impacted the contributions of hydropower to the national grid.

Bomboré Growth Capital Projects

Grid Power Connection

The commissioning of the powerline to connect Bomboré to Burkina Faso's national energy grid commenced in January 2024 and was successfully energized by the end of the same month. As of March 31, 2024, the Company has incurred costs of $19.3M for the grid power connection, of which $1.1M was incurred in Q1-2024.

RAP Phases II and III

RAP Phases II and III involve the construction of three new resettlement communities (MV3, MV2, and BV2) in order to relocate households currently residing within the southern half of the Bomboré mining permit. The Company has sequenced MV3 first in order to gain access to mining areas that are currently contemplated in the 2024 mine plan.

Construction of MV3 was substantially completed in April 2024 with the Company now organizing with local leaders and residents to relocate families into their new resettlement homes later in Q2-2024. In parallel, the Company has commenced earthworks for the next resettlement site (MV2) and awarded contracts to local companies to begin construction shortly.

As of March 31, 2024, the Company has incurred project-to-date costs of $13.5M for RAP Phases II and III, of which $3.1M was incurred in Q1-2024.

Royalty and Income Tax Rate Changes

The Burkina Faso government passed changes to its Mining Code to increase the royalty rates on gold producers effective beginning in October 2023. Royalty rates are applied according to a sliding scale based on spot gold prices with rates increasing from 5.0% to 6.0% for spot prices from $1,500/oz to under $1,700/oz, rising to 6.5% for spot prices from $1,700/oz to under $2,000/oz, and 7.0% for spot prices at $2,000/oz and above.

Furthermore, in January 2024, the Burkina Faso government introduced a special levy of 2% on after-tax profits, effective beginning for the 2023 taxation year, to raise additional funds to support its efforts in improving national security.

Workforce Composition

As of March 31, 2024, there were 1,804 contractor personnel and 856 permanent and temporary Company employees directly involved with or supporting mining, processing, exploration, and capital project activities at Bomboré. Burkinabé citizens comprise 98% of this direct workforce with female representation at 7%.

Bomboré Debt and Stream Financings

Senior Secured Debt Facility with Coris Bank

The senior secured debt facility with Coris Bank is a project-level debt denominated in XOF and was originally divided into a medium-term loan and a short-term loan. The Company closed on this debt facility on October 15, 2021.

The medium-term loan of XOF 40.0 billion bears interest at 9.0% per annum with monthly loan amortization starting in October 2023 and ending in September 2026. As of March 31, 2024, the principal balance of XOF 34.0 billion (~$56 million) remains outstanding.

The short-term loan of XOF 17.5 billion had a term of 12 months with a June 28, 2023 maturity date, and bore interest at 8.0% per annum. The Company repaid the entire short-term loan in 2023.

Senior Secured Bridge Loan with Coris Bank

On May 10, 2024, the Company closed a bridge loan for XOF 12.0 billion with Coris Bank to improve its cash position. The bridge loan has a term of 12-months, bears interest of 10% per annum, requires principal repayments on a semi-annual basis, and can be repaid prior to maturity without penalty. The Company drew on the bridge loan on closing.

The Company intends to refinance the bridge loan using proceeds from a new loan secured for the Phase II Hard Rock Expansion. The Company is in advanced discussions with Coris Bank for this project loan and expects to receive a binding debt commitment in June 2024 with subsequent closing to follow in Q3-2024.

Convertible Note Facility

The $35M convertible note facility has a term of 5 years, bears interest of 8.5% per annum, and matures on October 15, 2026. Interest is payable up to 75% in common shares at the option of the Company and is convertible at the option of the holders at any time at the conversion share price of $1.08 ("Conversion Price"). The note is non-callable with principal due only at maturity. The Company may elect to convert up to 50% of the outstanding principal at the Conversion Price when commercial production has been achieved and if over 20 consecutive trading days within three months from the proposed date of conversion, the volume-weighted average price of the Company's common shares exceeds a 50% premium to the Conversion Price.

Silver Stream

On October 15, 2021, the Company sold a silver stream to Euro Ressources S.A. ("ERSA") where Bomboré agreed to sell 50% of future silver production over the life of mine for no additional proceeds in exchange for an upfront payment of $7.15M ("Silver Stream").

Under the Silver Stream agreement, Bomboré will make minimum annual delivery of 37,500 ounces of silver to ERSA commencing from the date of commercial production. If annual silver deliveries are below this minimum, the Company will make an initial shortfall payment only on the later of: (a) the fifth anniversary from the date of the initial silver delivery under the Silver Stream, and (b) repayment of the senior secured loans, to ensure that the aggregate minimum annual payment has been satisfied for each of the preceding years. Thereafter, the Company will make shortfall payments, if required, on an annual basis until the cumulative delivery or payment of 375,000 ounces of silver has been reached after which the minimum annual delivery guarantee will no longer apply.

Bomboré Exploration

The Bomboré mine comprises two prominent mineral trends, the primary Bomboré Shear Zone and the emerging P17 Trend. The Bomboré Shear Zone has been delineated over a strike length of ~13 km and down to an average depth of ~200 m. This zone remains open both along strike and at depth, with the results of recent drilling highlighting the potential for higher grades at depth. Future drilling along this zone will be centered on near-pit mineral extensions and testing for higher-grade centers of mineralization at depth.

The sub-parallel P17 Trend, located towards the southern margin of the Bomboré Shear Zone, has been broadly traced over 1.5 km and remains open both along strike and at depth. The P17 Trend hosts a notably higher-grade profile than that of the Bomboré Shear Zone, and has more recently been recognized as an independent mineral trend. Near-term drilling at P17 will focus on near-pit mineral extensions and uncovering additional centers of near-surface mineralization along strike. Both of these exploration initiatives host the potential to defer lower grade ounces within the current mine plan, which could serve to further expand the mine's production profile and further improve its overall economics. Longer-term, drilling will look to test the down plunge potential of the P17 Trend sub-zones, including the potential for higher-grade underground feed sources.

Bomboré also has 100.8 km^2 of exploration claims surrounding its mining permit with numerous prospective targets that have been identified including the KT and P13 prospects located to the northeast and to the southwest of the mining permit, respectively.

Social Responsibility and Sustainability

The Company continues to maintain strong local community support and engagement, a key foundation to its ongoing success. The Company has made investments in local livelihood restoration initiatives and on community assistance programs with the purpose of improving the lives of those families living on or near the mine and will continue with these investments and others during the mine's life. The Company has contributed funding and in-kind resources toward community health and safety, educational programs, vocational training, food security, and regional development in addition to opportunities for local employment and support for small businesses. The Company also supports and promotes new community businesses and subsidence programs (e.g. soap making, blanket weaving, agricultural gardens, chicken breeding, tree nurseries, and promotion of land reclamation techniques to improve yields and areas of arable land).

In addition, the Company is committed to open and responsive engagement with local stakeholders. The Company holds monthly meetings with planning committees comprised of local leaders and government officials and makes regular visits to nearby villages to disseminate information on project activities and to address any concerns. The Company has a grievance mechanism whereby residents can lodge any project-related issues with the Company. The Company strives to respond rapidly and in a fair manner to all grievances received.

Permit Status

The Bomboré mine is permitted for construction and Phase I oxide operations. The hard rock expansion as envisioned under the 2019 feasibility study has been approved with the formal decree issued on March 23, 2021.

The Bomboré mine consists of the expanded mining permit (28.9 km^2) and four exploration permits: Bomboré II (12.7 km^2), Bomboré III (33.6 km^2), Bomboré IV (8.3 km^2) and Bomboré V (46.2 km^2).

On February 26, 2019, the Company signed the mining convention with the Government of Burkina Faso in connection with the mining permit for Bomboré. This mining convention clarifies the rights and obligations of the parties and to guarantee the Company stability. The mining convention is not a substitute for the law but specifies the provisions of the law. It is valid for the initial duration of the mining permit and is thereafter renewable for one or more periods of five years at the request of the Company.

Review of Financial Results

Financial Results for the Three Months Ended March 31, 2024

($000s, except for per share amounts)	Q1-2024	Q1-2023
Revenue	**$64,685**	$81,712
Cost of sales		
Operating expenses	**(30,054)**	(29,572)
Depreciation and depletion	**(5,709)**	(7,558)
Ore stockpile write-down reversal	**3,092**	-
Royalties	**(5,132)**	(4,912)
Cost of sales	**(37,803)**	(42,042)
Earnings from mine operations	**26,882**	39,670
Other expenses		
Exploration and evaluation costs	**(543)**	(1,500)
General and administrative costs	**(2,069)**	(1,731)
Share-based compensation	**(1,317)**	(1,085)
Depreciation	**(26)**	(27)
Operating income	**22,927**	35,327
Other loss	**(2,446)**	(6,861)
Income tax expense	**(6,930)**	(2,860)
Net income for the period	**13,551**	25,606
Net income attributable to shareholders of Orezone	**11,697**	22,560
Basic net income per share attributable to shareholders of Orezone	**$0.03**	$0.07
Diluted net income per share attributable to shareholders of Orezone	**$0.03**	$0.06

Revenue and cost of sales

Revenue decreased by 21% as compared to the same quarter in the prior year due to a 28% decrease in gold ounces sold partially offset by a 9% higher average realized sales price. The Company sold 31,229 gold ounces at an average realized price of $2,066 per ounce in Q1-2024 versus 43,139 gold ounces at an average realized price of $1,892 per ounce in Q1-2023. The lower gold sales were consistent with the 27% decline in gold production driven by lower plant throughput, head grades, and recoveries.

Cost of sales decreased by 10% as compared to the same quarter in the prior year due to a 28% decrease in gold ounces sold partially offset by 24% higher costs on a per ounce sold basis ($1,211 per ounce in Q1-2024 versus

$975 per ounce in Q1-2023). The higher per ounce cost in the current quarter was driven mainly by: (a) lower head grades and recoveries resulting in fewer production ounces and (b) higher royalty expense ($164 per ounce in Q1-2024 versus $114 per ounce in Q1-2023) from a higher realized gold price and increased royalty rates that came into effect in October 2023.

A $3.1M reversal of a previous inventory write-down on long-term stockpiled ore to net realizable value was recognized in Q1-2024 ($nil in Q1-2023) as a result of an increase in the consensus long-term gold price from $1,724 per ounce at December 31, 2023 to $1,790 per ounce at March 31, 2024.

Exploration and evaluation ("E&E") costs

E&E costs decreased by $1.0M from $1.5M in Q1-2023 to $0.5M in Q1-2024, primarily as a result of the Company undertaking 7,924m of RC drilling in Q1-2023 to target mineralization outside of known resources and for consultant work on the 2023 feasibility study released in November 2023, with no comparable programs for Q1-2024. E&E costs for Q1-2024 related to activities and fees to maintain Bomboré exploration licenses in good standing and for consultant costs on a potential scoping study for an expanded Bomboré mining scenario incorporating the large mineral resource base outside of current mineral reserves.

General and administrative costs

G&A costs increased by $0.4M, from $1.7M in Q1-2023 to $2.1M in Q1-2024, mainly from additional staffing costs and professional fees for the Genser arbitration. The Company has submitted its detailed claim for damages to the arbitration tribunal and is awaiting a formal response from Genser.

Share-based compensation

Share-based compensation expense increased by $0.2M, from $1.1M in Q1-2023 to $1.3M in Q1-2024, as a result of awards made to new employees hired in 2023.

Other (loss) income

Other loss decreased by $4.5M, from a $6.9M loss in Q1-2023 to a $2.4M loss in Q1-2024, primarily as a result of:

- A $1.7M foreign exchange gain in Q1-2024 versus a $1.5M foreign exchange loss in Q1-2023. The gain in Q1-2024 is related to the appreciation of the USD which led to foreign exchange gains recognized on the Company's XOF-denominated senior loan and non-USD denominated payables from mine activities. Conversely, the loss in Q1-2023 is related to the depreciation of the USD which led to foreign exchange losses recognized on the Company's XOF-denominated senior loans and non-USD denominated payables.
- A decrease of $0.3M in finance expense, from $4.4M in Q1-2023 to $4.1M in Q1-2024, mainly from the reduction of senior debt beginning in 2023.
- A fair value loss of $0.6M on the remeasurement on the warrant liability in Q1-2023. No such remeasurement for Q1-2024 as all unexercised warrants expired on January 29, 2023.

Income tax expense

Income tax expense in Q1-2024 is comprised of a current income tax expense of $6.5M and a deferred tax expense of $0.4M, and is attributable to earnings generated by the Bomboré mine.

Income tax expense of $2.9M in Q1-2023 was lower than Q1-2024 despite higher mine earnings due to the utilization of the remaining available tax losses accumulated from prior years. Also, no deferred taxes were recognized in Q1-2023 for existing deductible temporary differences and tax attributes as the brief operating history of the Bomboré mine did not support an assessment that it was probable that future taxable profits would be available to utilize all or a portion of the available tax attributes.

Summary of Quarterly Results

Summarized financial data presented in the table below has been prepared in accordance with IFRS. This data should be read in conjunction with the Company's condensed consolidated interim financial statements and consolidated annual financial statements for the respective periods. All net income (loss) figures are presented in USD millions, except for net income (loss) per common share amounts (basic and diluted).

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net income for the period	13.55	4.83	6.18	13.01	25.61	4.23	0.11	2.56
Net income (loss) attributable to shareholders of Orezone	11.70	4.01	5.19	11.38	22.56	3.76	(0.19)	2.41
Net income (loss) per common share attributable to shareholders of Orezone, basic	0.03	0.01	0.01	0.03	0.07	0.01	(0.00)	0.01
Net income (loss) per common share attributable to shareholders of Orezone, diluted	0.03	0.01	0.01	0.03	0.06	0.01	(0.00)	0.01

Cash Flows

The following table represents the consolidated cash flows for the three months ended March 31, 2024 and 2023. Discussion of the significant items impacting the cash flows is provided below:

($000s)	**Q1-2024**	Q1-2023
Cash inflows from operating activities	**$13,637**	$38,926
Cash outflows used in investing activities	**(11,624)**	(7,428)
Cash (outflows) inflows (used in) from financing activities	**(6,037)**	4,354
Effect of foreign currency translation on cash	**138**	162
Increase (decrease) in cash	**(3,886)**	36,014
Cash, beginning of period	**19,483**	9,158
Cash, end of period	**$15,597**	$45,172

Operating cash flows

The Company generated $13.6M from operating activities in Q1-2024 as compared $38.9M in Q1-2023. Operating cashflows were lower in Q1-2024 due to a 28% reduction in gold ounces sold in the quarter.

Investing cash flows

Cash outflows from investing activities increased by $4.2M from $7.4M in Q1-2023 to $11.6M in Q1-2024. Investing activities in Q1-2024 consisted of capital expenditures at the Bomboré mine for RAP, grid power connection, tailings storage facility expansion, camp and plant improvements, and Phase II expansion early works. Capital expenditures for Q1-2023 were lower than Q1-2024 as MV3 RAP construction and Phase II expansion early works had not yet commenced.

Financing cash flows

Cash outflows of $6.0M from financing activities in Q1-2024 consisted of $5.0M in principal repayments on senior debt and $1.8M in cash interest and fee payments on the Company's project loans, offset by $0.8M of proceeds from the exercise of stock options. For Q1-2023, cash inflows from financing activities of $4.4M consisted of $11.6M in net proceeds from the private placement of common shares, $5.5M from warrant exercises, and $0.3M from option exercises, partially offset by $9.8M in senior debt principal repayments, $0.2M in principal lease payments, and $3.0M in cash interest payments on the Company's project loans.

Financial Position

The following table represents the condensed financial position for the periods ended March 31, 2024 and December 31, 2023. Discussion of the significant items impacting financial position is provided below:

($000s)	March 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	**$15,597**	$19,483
Inventories	**12,501**	13,664
Other current assets	**19,251**	19,774
Total current assets	**47,349**	52,921
Non-current assets		
Other financial assets	**24**	36
Other non-current assets	**15,002**	10,904
Deferred income tax asset	**4,410**	4,810
Long-term inventories	**69,837**	58,218
Mineral properties, plant and equipment	**196,363**	193,190
Total assets	**$332,985**	$320,079
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	**$42,312**	$44,948
Income tax payable	**24,407**	18,279
Current portion of loans and borrowings	**19,716**	20,192
Total current liabilities	**86,435**	83,419
Non-current liabilities		
Loans and borrowings	**66,750**	72,357
Lease liabilities	**592**	648
Silver stream liability	**6,790**	6,697
Environmental rehabilitation provision	**9,858**	10,596
Total liabilities	**170,425**	173,717
Total equity	**162,560**	146,362
Total liabilities and equity	**$332,985**	$320,079

Cash

Cash decreased by $3.9M from $19.5M at December 31, 2023 to $15.6M at March 31, 2024 due to the Company's scheduled debt repayments, Bomboré capital expenditures, and corporate G&A, offset by cash generated by Bomboré mine operations. Refer to the consolidated statements of cash flows for further detail.

Current Inventories

Inventories decreased by $1.2M from $13.7M at December 31, 2023 to $12.5M at March 31, 2024 primarily from the inventory reduction in gold-in-circuit and finished gold bullion from $5.1M to $3.6M. Current inventories at March 31, 2024 comprised of $0.7M in stockpiled ore, $3.6M in gold-in-circuit and finished gold bullion, and $8.2M of operational supplies and consumables.

Other non-current assets

Other non-current assets increased from $10.9M at December 31, 2023 to $15.0M at March 31, 2024 from the addition to VAT receivable for VAT paid in the quarter on goods and services purchased in Burkina Faso by the Bomboré mine.

Deferred income tax asset

Deferred income tax asset decreased from $4.8M at December 31, 2023 to $4.4M at March 31, 2024 from the amortization of the previously recognized deferred tax asset related to historical exploration and evaluation expenses that the Company estimates can be applied against future taxable profits that are considered probable.

Long-term inventories

Long-term inventories have increased by $11.6M from $58.2M at December 31, 2023 to $69.8M at March 31, 2024 from the stockpiling of medium-to-low grade ore mined as processing of this material is not expected within the next twelve months. The carrying value of long-term stockpiled ore at March 31, 2024 reflects a $3.1M reversal of a previously recognized write-down to net realizable value as a result of an increase in the consensus long-term gold price from $1,724 per ounce at December 31, 2023 to $1,790 per ounce at March 31, 2024.

Mineral properties, plant and equipment

The increase of $3.2M from $193.2M at December 31, 2023 to $196.4M at March 31, 2024 is from $10.0M in capital expenditures incurred at the Bomboré mine offset by $6.0M of depreciation and depletion recognized on mine assets and a $0.8M change in estimate of the environmental rehabilitation provision.

Trade and other payables

The decrease of $2.6M from $44.9M at December 31, 2023 to $42.3M at March 31, 2024 is primarily the result of ongoing movements in balances to trade creditors for services, materials, and consumables, and to the government for royalties. Trade and other payables at March 31, 2024 include $8.0M accrued to Genser for power plant construction costs incurred in 2022 which is currently in dispute due to defects with the incomplete power plant and from Genser's failure to honour the terms of the power purchase agreement.

Income tax payable

The increase of $6.1M from $18.3M at December 31, 2023 to $24.4M at March 31, 2024 relates to current taxes on mine earnings realized in Q1-2024.

Loans and borrowings

The $6.0M decrease from $92.5M at December 31, 2023 to $86.5M at March 31, 2024 relates to principal repayments of XOF 3.0 billion ($5.0 million) on the medium-term loan and $1.3M in foreign exchange revaluation which was offset by $0.3M of accretion. Scheduled principal payments under the Coris Bank senior debt facility due in the next twelve months have been classified as a current liability.

Silver stream liability

The $0.1M increase from $6.7M at December 31, 2023 to $6.8M at March 31, 2024 is the result of the remeasurement of the liability primarily from revisions to forecasted future silver prices and updates for production over Q1-2024.

Environmental rehabilitation provision

The $0.7M decrease from $10.6M at December 31, 2023 to $9.9M at March 31, 2024 is primarily the result of updates in key input estimates including the risk-free discount rate and inflation rate.

Liquidity and Capital Resources

The Company has historically raised funds to conduct its activities and to execute its business plans through debt or equity issuances, the exercise of warrants and options, or the sale of royalties or related interests prior to achieving commercial production at its Bomboré mine on December 1, 2022.

As of March 31, 2024, the Company had cash of $15.6M and a working capital deficit of $39.1M. The Company believes its gold production will continue to provide operating cash flow to fund its capital and exploration expenditures, service scheduled debt repayments, and meet working capital requirements; however, to improve its immediate cash position, the Company closed and drew on a XOF 12.0 billion (~$20 million) bridge loan with Coris Bank on May 10, 2024. While the Company believes that the funds from the bridge loan and its gold production will continue to provide adequate operating cash flow to fund its capital and exploration expenditures, service scheduled debt repayments, and meet working capital requirements, there can be no assurance of operational success.

The Company expects to fund its ongoing costs and obligations over the next twelve months with (1) cash on hand, (2) gold sales from operations, (3) proceeds from exercises of equity instruments, and (4) additional debt financing for the Phase II expansion. After considering its plans to mitigate the going concern risk, management has concluded that there are no material uncertainties related to events or conditions that may cast a significant doubt about the Company's ability to continue as a going concern for a period of twelve months from the balance sheet date.

Share Capital

As of May 13, 2024, the Company had 370,098,013 common shares, 20,615,563 stock options, 3,924,842 RSUs, and 2,143,764 DSUs issued and outstanding.

Contractual Obligations

The following table summarizes the contractual maturities of the Company's operating, capital, and financing commitments at March 31, 2024 shown in contractual undiscounted cashflows:

($000s)	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	$42,312	-	-	**$42,312**
Income tax payable	24,407	-	-	**24,407**
Capital commitments	8,025	-	-	**8,025**
Operating commitments	7,927	237	-	**8,164**
Lease commitments	91	673	-	**764**
Senior debt facility	25,338	39,906	-	**65,244**
Convertible note facility	2,975	39,589	-	**42,564**
Total	**$111,075**	**$80,405**	**-**	**$191,480**

The senior debt facility and the convertible note facility presented include both contractual principal and interest payments, and in the case of the convertible note facility, excludes the exercise of the equity conversion rights.

The Company has a Silver Stream to deliver 50% of future silver production from the Bomboré mine to ERSA with minimum annual silver delivery obligations, which if not met, may require shortfall payments by the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company had no transactions with related parties except for compensation of key management personnel.

Proposed Transactions

The Company has no proposed transactions requiring disclosure under this section.

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.

Cash Costs, Cash Costs Per Gold Ounce Sold, AISC, and AISC Per Gold Ounce Sold

These measures are intended to reflect the expenditures required to produce and sell an ounce of gold from current operations. Cash costs include mine-level operating costs covering mining, processing, administration, royalties, and selling charges. AISC starts with cash costs and adds sustaining capital, sustaining exploration, sustaining lease payments, and corporate general and administration costs. Excluded from the Company's AISC definition are depreciation and depletion, accretion and amortization of reclamation costs, growth capital, growth exploration, financing costs, and share-based compensation. Cash costs per gold ounce sold and AISC per gold ounce sold are determined by dividing cash costs and AISC by the number of gold ounces sold, respectively.

The Company believes that the use of cash cost per gold ounce and AISC per gold ounce metrics will assist investors, analysts, and other stakeholders of the Company in assessing the operating performance and cash flow generation of current operations.

($000s except for ounces sold and per ounce sold figures)	**Q1-2024**	**Q1-2023**
Costs of sales – operating expenses	30,054	29,572
Royalties	5,132	4,912
Cash costs on a sales basis	**35,186**	**34,484**
Sustaining capital	4,018	3,530
Sustaining leases	73	187
Corporate general and administration	2,069	1,731
All-In Sustaining Costs on a sales basis	**41,346**	**39,933**
Gold ounces sold	31,229	43,139
Cash costs per gold ounce sold	**1,127**	**799**
All-In Sustaining Costs per gold ounce sold	**1,324**	**926**

Sustaining and Growth Capital

($000s)	**Q1-2024**	**Q1-2023**
Additions to mineral properties, plant and equipment	10,029	5,491
Growth capital	6,011	1,961
Sustaining capital	4,018	3,530

The distinction of sustaining capital from growth (non-sustaining) capital follows the guidance set forth by the World Gold Council which defines non-sustaining capital as costs incurred at new operations and costs related to major projects at existing operations where these projects will materially benefit the operation. A material benefit to an existing operation is considered to be at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation.

For Q1-2024, all capital expenditures are considered sustaining except for the grid power connection, the RAP, and the early works for the Phase II hard rock expansion.

Sustaining Exploration Expense

($000s)	Q1-2024	Q1-2023
Exploration and evaluation costs	543	1,500
Non-sustaining exploration and evaluation costs	543	1,500
Sustaining exploration expense	-	-

For Q1-2024, exploration and evaluation costs primarily related to activities and fees to maintain its exploration licenses in good standing and for consultant costs on a potential scoping study for an expanded Bomboré mining scenario incorporating the large mineral resource base outside of current mineral reserves.

Adjusted Earnings and Adjusted Earnings Per Share

Adjusted earnings exclude certain non-cash and unusual items, net of tax, that the Company either considers unrelated to the Company's core operations or are non-recurring in nature, and therefore, not indicative of recurring operating performance. These adjustments may include unrealized foreign exchange movements on the Coris Bank senior loans, fair value changes on warrant liability, impairment charges and reversal of impairment charges, and other significant items which are not reflective of the Company's core mining business. The Company believes the presentation of adjusted earnings are useful to market participants in understanding the underlying earnings performance of the Company.

($000s except for per share amount)	Q1-2024	Q1-2023
Net income	13,551	25,606
Unrealized foreign exchange (gain) loss on senior loans	(1,309)	1,545
Fair value loss on warrant liability	-	623
Ore stockpile write-down reversal	(3,092)	-
Adjusted earnings	**9,150**	**27,774**
Attributable to non-controlling interest	1,414	3,200
Attributable to shareholders of Orezone	7,736	24,574
Weighted average number of shares outstanding ('000s)	367,157	346,582
Adjusted earnings per share attributable to shareholders of Orezone	**0.02**	**0.07**

Adjusted EBITDA

The Company believes that certain market participants use earnings before interest, tax, depreciation, and amortization ("EBITDA") and adjusted earnings before interest, tax, depreciation, and amortization ("Adjusted EBITDA") to evaluate the Company's ability to generate operating cash flow to fund working capital requirements, service debt repayments, invest in sustaining and growth capital, and ultimately provide capital returns to shareholders.

($000s)	Q1-2024	Q1-2023
Earnings before income taxes	20,481	28,466
Depreciation and depletion in costs of sales	5,709	7,558
Depreciation and depletion in other expenses	26	27
Finance expense	4,113	4,426
EBITDA	**30,329**	**40,477**
Ore stockpile write-down reversal	(3,092)	-
Unrealized foreign exchange (gain) loss on senior loans	(1,309)	1,545
Fair value loss on warrant liability	-	623
Adjusted EBITDA	**25,928**	**42,645**

Free Cash Flow

Free cash flow is determined from the sum of cash flow from operating activities and cash flow used in investing activities, excluding certain unusual transactions. The Company believes market participants use free cash flow to measure the net cash generated from the Company's operations that is available for strategic investments, for debt repayments, and for capital returns to shareholders.

($000s)	Q1-2024	Q1-2023
Cash flow from operating activities	13,637	38,926
Cash flow used in investing activities	(11,624)	(7,428)
Free cash flow	**2,013**	**31,498**

Risks and Uncertainties

The Company's business at the present stage of exploration, development, and operations of the Bomboré mine involves a high degree of risk and uncertainty. For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements, annual MD&A, and annual information form for the year ended December 31, 2023 which are available on the Company's website at www.orezone.com or on SEDAR+ at www.sedarplus.ca.

Financial Instruments and Related Risks

The fair values of the Company's financial instruments consisting of cash, other receivables, and trade and other payables approximate their carrying values because of their short terms to maturity. The fair value of marketable securities held in other financial assets is determined based on quoted market prices. The loans and borrowings were initially recognized at fair value and, subsequently, have been measured at amortized cost. The Silver Stream liability is determined using inputs that are not based on observable market data. The fair value of these financial instruments approximates their carrying value.

As of March 31, 2024, the Company had 3,200,000 common shares of Sarama Resources Ltd. with a fair value of $0.02M (December 31, 2023: $0.04M).

As of March 31, 2024, the fair value of the Company's Silver Stream liability was $6.8M (December 31, 2023: $6.7M).

As of March 31, 2024, the carrying amount of the Company's loans and borrowings held at amortized cost was $86.5M (December 31, 2023: $92.5M), of which $19.7M is due within the next twelve months.

Critical Accounting Estimates, Judgments, and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions, and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actuals outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

See "Critical Accounting Estimates and Judgments" in the Company's 2023 annual MD&A as well as Note 4 in the Company's 2023 annual consolidated financial statements for significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements for the three months ended March 31, 2024. There have been no significant changes compared to December 31, 2023.

Internal Controls Over Financial Reporting and Disclosure Controls and Procedures

Management is responsible for establishing and maintaining adequate internal controls over financial reporting and disclosure controls and procedures. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Any system of internal controls over financial reporting and disclosure, no matter how well designed, has inherent limitations. The effectiveness of internal controls is also subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

There were no changes in the Company's internal controls over financial reporting during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Forward-Looking Statements

This MD&A refers to and contains certain forward-looking statements and information ("forward-looking statements") relating, but not limited to, the Company's expectations, intentions, plans, and beliefs. Forward-looking statements can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

Forward-looking statements may include statements about mineral reserve and resource estimates and the timing of updates thereof, planned expenditures on the Company's projects, obtaining renewed exploration permits, the ability to demonstrate the economic feasibility of the mineral deposits to a level up to and including that of a full feasibility study, the ability to obtain adequate financing as needed in the future to fund ongoing exploration, development, or production activities, the results of exploration and drilling activities, and estimates of the amount of time the Company may carry on operations with existing cash resources and available funding, and is based on current expectations that involve a number of business risks and uncertainties.

All such forward-looking statements are based on certain assumptions and analyses made by management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances.

These forward-looking statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and contemplated studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of material which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, delays in the development of projects, unexpected increases in budgeted costs and expenditures, and other factors.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in the price of gold; (ii) results of drilling; (iii) results of metallurgical testing, process and other studies; (iv) changes to proposed mine plans; (v) the evaluation of mine plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licences.

Shareholders (both current and potential) are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking statements involve numerous assumptions, inherent risks, and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections, and various future events will not occur.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Cautionary Note to U.S. Investors Concerning Resource Estimates

Unless otherwise indicated, all mineral resource and mineral reserve estimates included in this MD&A have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian securities administrators, which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission. Accordingly, mineral resource and mineral reserve estimates, and other scientific and technical information, contained in this MD&A may not be comparable to similar information disclosed by U.S. companies.

Qualified Persons

Dr. Pascal Marquis, Geo., Senior Vice President of Exploration and Mr. Rob Henderson, P. Eng., Vice-President of Technical Services are the Company's qualified person under NI 43-101. One or more of the Company's qualified persons have reviewed, approved, and verified the technical information in this MD&A.

On October 11, 2023, the Company released the results of an updated independent feasibility study on the Phase II expansion of its Bomboré mine. The Company has prepared and filed a new technical report in accordance with NI 43-101 to support the publicized study results including the new mineral resource and reserve estimates. This new technical report was filed on November 24, 2023 with an effective date of March 28, 2023, and replaces the previously filed technical report with an effective date of June 26, 2019. The new technical report includes relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource and reserve estimates at the Bomboré mine, as well as information regarding data verification, and other matters relevant to the scientific and technical disclosure contained in this MD&A.