OREZONE GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND TOTAL COMPREHENSIVE LOSS

FOR THE YEAR ENDED DECEMBER 31, 2016

April 6, 2017

General

This Management's Discussion and Analysis ("MD&A") is provided to enable the reader to better understand the financial position and total comprehensive income (loss) for Orezone Gold Corporation (the "Company") for the year ended December 31, 2016, in comparison to the corresponding prior-year period. This document should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2016 and 2015 ("Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Annual Information Form ("AIF") on file with the Canadian provincial securities regulatory authorities for the year ended December 31, 2016. All dollar amounts in this MD&A are in United States dollars, unless otherwise specified. References to "$" or "US$" are to United States dollars, references to "C$" are to Canadian dollars and references to "CFA" are to Communauté Financière Africaine francs. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates (the "functional currency"). The Company's functional currency is the Canadian dollar. This MD&A has taken into account information available up to and including April 6, 2017.

This MD&A contains forward-looking statements (see "Forward Looking Statements" below for a full discussion on the nature of forward-looking statements). Statements regarding the adequacy of cash resources to carry out our exploration and development programs or the need for future financing are forward-looking statements. Statements regarding the potential for expansion of current Canadian Institute of Mining & Metallurgy ("CIM") mineral resources (disclosed in accordance with National Instrument 43-101 ("NI 43-101") resources, expected results including, but not limited to, targeted economic parameters and production levels for Bomboré, planned expenditures on the Company's projects, the formal documentation of the granted mining permit and the potential timing and milestones required to become a gold producer are also forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking statements.

The MD&A is prepared in conformity with NI 51-102F1 and has been approved by the Company's board of directors (the "Board of Directors" or the "Board") prior to its release.

Corporate Information

The Company was incorporated on December 1, 2008 under the *Canada Business Corporations Act* and is the product of a spin-out transaction between Orezone Resources Inc. and IAMGOLD Corporation ("IAMGOLD"). The Company was initially listed on the Toronto Stock Exchange (the "TSX") however to reduce operating expenses, the Company moved the listing of its common shares to a Tier 1 listing on the TSX Venture Exchange (the "TSXV") on December 21, 2015. The Company's main operating subsidiary, Orezone Inc., is resident in the British Virgin Islands which has a field office through its subsidiary in the city of Ouagadougou, Burkina Faso, West Africa. The Company is primarily engaged in the exploration and development of gold properties in Burkina Faso, West Africa. Management has been operating in West Africa for over 20 years. The Company's primary objective is to maximize shareholder value by identifying and developing commercially viable gold mining operations. Additional information on the Company's subsidiary operations in Burkina Faso can be found in the 2016 Annual Information Form that was filed on SEDAR at www.sedar.com.

Although the Company began trading publicly on February 25, 2009, Management and the Board represent the continuation of the successful track record of Orezone Resources Inc. in Burkina Faso, extending back to its inception in 1996. This includes the acquisition, exploration, development, financing, construction and divestiture of the Essakane Gold Project ("Essakane") to IAMGOLD, the largest operating gold mine in Burkina Faso. Burkina Faso became the fourth largest African gold producer in 2012 with much of this production coming from Essakane. Burkina Faso has similar geology, but is relatively underexplored, compared to the neighbouring countries of Mali and Ghana where more major discoveries have been made and a number of large mines have been built.

Burkina Faso has good infrastructure relative to much of West Africa, and has provided the opportunity to acquire both relatively large unexplored tracts of land, as well as more advanced stage assets, on reasonable terms. The Company will continue to focus the majority of its efforts in Burkina Faso.

2016 Exploration and Development Highlights:

- On May 18, 2016, the Company announced that it received the formal and final approval by the Ministry of Environment, Green Economy and Climate Change[1] for the Resettlement Action Plan ("RAP") and the Environmental and Social Impact Assessment ("ESIA") with respect to its mining permit application for its wholly owned Bomboré gold Project in Burkina Faso;
- On June 13, 2016, the Company released that it successfully completed a presentation and critical technical review of its Bomboré Gold Project with the Burkina Faso National Commission of Mines ("NCM"). The NCM reviewed the project's feasibility study, including an environmental assessment and impact study, and a relocation action plan. The Company fulfilled all the conditions set by the NCM and was advised that the NCM would issue a favourable and binding advice with respect to the Company's application for a commercial mining permit;
- On August 12, 2016, the Company announced that the Council of Ministers of the Burkina Faso Government approved the mining permit application submitted by the Company's local subsidiary Orezone Bomboré SA for its Bomboré Gold Project. Receipt of the formal mining permit and related mining convention from the Burkina Faso tax department was expected later in the year;
- On August 22, 2016, the Company released that preliminary results of an update to its Bomboré Gold Project resource estimate, performed by Roscoe Postle Associates ("RPA") in Toronto, Ontario, indicated that the tonnage and gold ounces contained in the previous 2013 Bomboré oxidized measured and indicated resource may be reduced by approximately 30% with the resulting tonnage remaining at a similar average grade. The 2013 Bomboré fresh rock (sulphide) resource may also be reduced by a similar amount or less. As a result, the 2013 Resource Update and the 2015 Feasibility Study NI 43-101 Technical Report ("2015 FS") on the Bomboré Gold Project were withdrawn by the Company until it could be updated. The Company continued to work with RPA to complete the resource estimate and to update the reserves, mine plan and feasibility study;
- On September 7, 2016, the Company released the Bomboré resource statement as referred to on August 22, 2016, however, work continued with RPA on further updating the resource. The Company also announced that Patrick Downey, a director since 2011, would become the non-executive Chairman, replacing Mike Halvorson who remained as an active member of the Board;
- On November 2, 2016, the Company filed a NI 43-101 Technical Report for the Bomboré Gold Project that supported the disclosure made by the Company on September 7, 2016 and reiterated that another resource estimate performed by RPA would be forthcoming that was expected to increase the resource; and
- Work continued on the resource estimate and on January 10, 2017, the Company announced an updated Mineral Resource statement for Bomboré that was performed by RPA. The overall results show that the gold ounces contained in the 2017 Measured and Indicated ("M&I") resource increased by 15% from 3.22 million ounces to 3.69 million ounces with a 5% reduction in the average gold grade to 0.92 gram per tonne (gpt) as compared to the 2016 estimate. The Company expected to release updated reserves, a mine plan and feasibility study based on the 2017 resource estimate by the end of Q2 2017.

2016 Corporate Highlights

- The Company ended the year with a cash balance of $22.1M as at December 31, 2016 compared to $3.84M as at December 31, 2015;

  On February 8, 2016, the Company granted 1,980,000 stock options to the Company's directors, officers and employees at a strike price of C$0.30 per share, which was at the time a slight premium to the previous day closing

[1] Ministère de l'environnement, de l'économie verte et du changement climatique

share price of $0.28. One third of the options vested immediately and the remaining two-thirds vest in equal amounts on the one and two-year anniversary dates. The options granted expire 10 years from the grant date;

- On March 30, 2016, the Company completed a non-brokered private placement of $3.8M (C$5M) whereby it issued 10,000,000 common shares at a price of C$0.50 per share;
- On May 24, 2016, the Company announced it signed an agreement with Sarama Resources ("Sarama") for the sale and transfer of the Bondi gold project in Burkina Faso valued at C$1.44 million that includes 9.6M Sarama shares valued at C$0.15 per share; and
- On July 19, 2016, the Company announced that it had completed a C$26,450,000 equity financing. A total of 26,450,000 common shares were issued at a price of $1.00 per share.

Other significant developments subsequent to the year ended December 31, 2016 included:

- On January 17, 2017, Company received three new Bomboré exploration permits that together comprise most of the area of the previous Bomboré I exploration permit that surrounds the Bomboré mining permit application area;
- On January 17, 2017, the Company announced positive drilling and preliminary metallurgical test results from a recent 5,968 m drill program at its Bomboré Gold Project. The most significant results were from the P17S target, a new higher grade sulphide zone situated 2km south of the Bomboré deposit on the Toéyoko permit;
- On January 17, 2017, the Company announced the appointment of Patrick Downey as Executive Chairman;
- 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; and
- On January 26, 2017, the Company repurchased 100% of the Bomboré 0.45% Net Smelter Returns ("NSR") royalty held by Sandstorm Gold Ltd. ("Sandstorm") for $3.6M. There is no other interest held by any third party on Bomboré other than those due to the government of Burkina Faso.

Exploration and Development Activities

Since 2009, the Company has been mainly focused on the development of its wholly owned Bomboré Gold Project. On August 11, 2016, the Government of Burkina Faso approved the mining permit application to build a Phase 1, open pit operation that focuses on the surface oxide resource that can be processed without grinding or cement agglomeration using a combined Heap Leach ("HL") and Carbon in Leach ("CIL") circuit. At any time in the future, subject to a positive feasibility study, Phase 2 could be initiated to expand the CIL circuit to include, amongst other things, more crushing, grinding and leach residence time and power to process the large sulphide resource that occurs below the oxide cap which has been well defined and studied. The benefit of building the project in two phases is to reduce the required upfront capital and generate a much higher rate of return.

From January 2014 to April 2015, the Company completed all test work and designs to complete the 2015 FS that focused only on Phase 1. However, as a result of resource revision released on August 22, 2016, the Company withdrew the 2015 FS until the reserves, mine plan and 2015 FS have been updated by the end of Q2 2017

The Company released an updated Resource Statement on September 7, 2016 and continued work to review, model and estimate the mineralization that was excluded in the September 7, 2016 Resource Statement. The excluded mineralization occurred in part within the pit shells that constrain the resource and was treated as waste (with zero grade) in the September 7, 2016 Resource Statement. On January 10, 2017, the Company released the 2017 Resource Mineral Statement. The wire framing methodology used for the 2017 Resource estimate based on the same parameters as those used for the September 7, 2016 estimate resulted in the addition of 391 lower grade envelopes to the North and South models, many of which demonstrated grade continuity suitable to be classified as M&I Mineral Resources. There was also the addition of a minor third domain located outside the envelopes as an unconstrained model using a limited search ellipse up to 35 m by 35 m by 2.5 m. All of the "third domain" was classified as Inferred Resources. The Company continues to work on a revised reserve estimate, mine plan and the optimization to update the previous 2015 FS, which is scheduled to be released in Q2 2017.

The following table discloses the mineral resources on the Company's projects using the standards prescribed by the CIM and disclosed in accordance with NI 43-101:

Table 1 – Total Resources by Project

Project	COG (gpt)	Category	Tonnes (Mt)	Grade (Au gpt)	Contained Gold (kOz)	Effective Date
Bomboré	0.45 to 0.50	Measured+Indicated	124.5	0.92	3,695	5 Jan 17
Bomboré	0.20 to 0.50	Measured+Indicated	93.6		1,075	5 Jan 17
Oxide+ Transition Only	0.45	Measured+Indicated	53.4	0.87	1,487	5 Jan 17
Oxide+ Transition Only	0.20 to 0.45	Measured+Indicated	68.6	0.33	727	5 Jan 17
Bomboré	0.45 to 0.50	Inferred	24.9	0.93	747	5 Jan 17
Bomboré	0.20 to 0.50	Inferred	23.3	0.33	246	5 Jan 17
Oxide+ Transition Only	0.45	Inferred	4.8	0.77	117	5 Jan 17
Oxide+ Transition Only	0.20 to 0.45	Inferred	16.4	0.29	151	5 Jan 17
Bondi	0.50	Measured+Indicated	4.1	2.12	282	20-Feb-09
Bondi	0.50	Inferred	2.5	1.84	150	20-Feb-09
Total		Measured+Indicated	222.2		5,052	
		Inferred	50.7		1,144	

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Amounts may not add due to rounding.

The Company commenced an exploration and definition drill program on the Bomboré Gold Project in November 2016. This program was focused on P17S, a new higher grade sulphide zone and on the oxide mineralization of the P13 oxide target, both situated south of the Bomboré mining permit. Previous shallow drilling at P17S from surface to a depth of only 60 m resulted in a M&I Sulphide Mineral Resource of 337,000 tonnes at 2.5 gpt for 27,000 ounces of gold. The results from the recently completed drill program (62 holes) intersected the unit at depths of up to 100 m and have the potential to substantially increase this resource. The deposit remains open at depth and to the north. In addition, previous geophysical and geochemical surveys indicate there are similar targets in close proximity that will be tested. The drill program recommenced in February 2017 and is still progressing.

The following table summarizes the Company's exploration and evaluation costs and meters drilled by project for the years ended December 31, 2016, 2015 and 2014. All figures are presented in US$, except for meters drilled.

Table 2 – Exploration and Evaluation Costs

Year ended December 31, 2016	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	**$**	**$**	**$**	**$**	**$**
Bomboré	**5,968**	419,697	937,331	1,002,810	130,408	**2,490,246**
Bondi	**521**	84,352	90,218	358	55,986	**230,914**
Total	**6,489**	**504,049**	**1,027,549**	**1,003,168**	**186,394**	**2,721,160**

Year ended December 31, 2015	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	**$**	**$**	**$**	**$**	**$**
Bomboré	**-**	81,169	1,373,918	1,595,656	219,504	**3,270,247**
Bondi	**-**	11,589	66,533	1,777	96,816	**176,715**
Total	**-**	**92,758**	**1,440,451**	**1,597,433**	**316,320**	**3,446,962**

Year ended December 31, 2014	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	**$**	**$**	**$**	**$**	**$**
Bomboré	**26,153**	1,566,998	1,569,655	4,076,923	260,678	**7,474,254**
Bondi	**-**	7,343	29,073	-	37,578	**73,994**
Total	**26,153**	**1,574,341**	**1,598,728**	**4,076,923**	**298,256**	**7,548,248**

Bomboré Gold Project

Bomboré is situated 85 km east of the capital city, Ouagadougou, and is adjacent to an international highway, with access to sufficient water for mining operations, as well as a local labour force. The project benefits from a large oxide resource (average depth 45 m) that sits above a large sulphide resource. The average depth of over 430,000 m of drilling to date is 120 m and the sulphide resource reaches depths of up to 240 m within the CIL optimized pit shells that constrain the resource. Since 2011, the Company has been examining various scenarios to develop the project in stages to reduce the initial capital requirements. In June 2013, the Company postponed the completion of the oxide material CIL FS and switched its development focus from an 8 Mt/yr Phase I oxide-only CIL operation to a 5.5 Mt/yr Phase I oxide-only HL scenario. The Company completed an updated Preliminary Economic Assessment ("PEA") on the HL scenario that was released and filed in Q1 2014. The updated HL PEA was completed by G Mining Services Inc. ("GMS"), Kappes, Cassiday & Associates ("KCA"), and Golder Associates Inc. ("Golder"). Subsequently, the Company optimized the planned processing method to employ a combined approach of HL and CIL circuits. The combined approach was positively evaluated as part of the 2015 FS, however with the Bomboré Gold Project Resource revision announced on August 22, 2016, the Company withdrew the filed 2015 FS and is working to revise and release an updated feasibility study in H1 2017. The final Environmental and Resettlement approvals from the Burkina Faso Ministry of Environment, Green Economy and Climate Change was received on May 18, 2016. The project will result in the resettlement of the population living on the project site (approximately 600 traditional families and 4,000 artisan gold miners) and the expropriation of a large area of agricultural land (approximately 700 ha). The Company and its consultants, Socrege, BEGE, and WSP, worked with the local population to agree on all resettlement areas for each of the communities potentially impacted by the project. The mining permit application was submitted on May 25, 2015 and was approved on August 11, 2016. The formal mining permit was received on January 25, 2017 and the related mining convention from the Burkina Faso tax department (fiscal and tax policy for the permit) is pending and expected in the coming months. The status of the mining permit is not expected to be affected by the September 7, 2016 Resource revision.

2016 Resource Update

In 2016, Orezone prepared an updated Mineral Resource estimate ("2016 Resource"). The estimate was audited, classified, and reported by RPA in a NI 43-101 Technical Report dated October 31, 2016 and based on drill hole information to December 2014. At a cut-off grade of 0.2 g/t Au for oxide and transition material and 0.38 g/t Au for fresh layers, Measured plus Indicated Mineral Resources were estimated to be 171.95 Mt at an average grade of 0.73 g/t Au for a total of four million ounces of contained gold. Using the same cut-off grades, Inferred Mineral Resources were estimated to total an additional 24.26 Mt at an average grade of 0.74 g/t Au for 579,000 ounces of contained gold. The Mineral Resource estimate had an effective date of September 7, 2016 and the supporting report was filed on SEDAR on November 7, 2016. Based on the modelling methodology, the level of completeness, and the removal of resources located near environmental sensitive areas, the 2016 estimate excluded mineralization and resources that had been included in the 2013 Resource Estimate.

The 2016 Resource Estimate resulted in a decrease in the estimated M&I Resource by 29% and a reduction in the average estimated gold grade by 4% to 0.97 gram per tonne (gpt). Within this the estimated oxidized and transition M&I Resource was reduced by 31% and the average gold grade by 2% to 0.89 gpt. The estimated fresh rock (sulphide) M&I Resource was reduced by 28% and the average gold grade by 6% to 1.04 gpt. It should be noted that approximately one third of the reduction in resources is the result of the removal of resources that occur in environmentally sensitive areas, and areas that have been set aside for the benefit of local artisanal miners. Most of these resources were already excluded from the 2015 reserves estimate as part of the 2015 FS. The remaining two-thirds of the reduction in resources was attributed to a more conservative approach to the modelling methodology than used in the 2013 estimate. This included the re-interpretation of the mineralized domains coupled with restrictions on the grade modelling of the lower grade domains. The result was the exclusion of a significant amount of mineralized drill intersections (composites) of both higher and lower grade, that occur outside of the modelled mineralized domains. Essentially, there was a significant amount of mineralization in the waste domain that is unaccounted for in the 2016 Resource.

As a result of the changes to the 2016 Resource, the 2015 Mineral Reserve estimate, as was detailed in the 2015 FS was withdrawn by the Company and should not be relied upon until it has been updated. The 2016 Resources are constrained within conceptual open pit shells prepared by RPA using parameters based on the studies completed on the project and adjusted for the economic conditions documented during Q2 2016. The total resource (oxide and sulphide) spans an area over 11 km long and up to 1 km wide with an estimated low waste to ore strip ratio. The majority of the total resource occurs within the top 120 m, the average depth of drilling completed to date, however some pit shells reach a depth of 240 m. The mineralization remains open at depth and in part along strike.

2016 estimation methodology

The methodology included estimating the grade in two principal grade domains, a higher grade +0.45 gpt domain (the core of mineralization) and a lower grade 0.2 to 0.45 gpt domain (the lower grade halo around the core). The grade of each domain (or envelope) was estimated using only the composited assays that occur within each envelope and therefore was a hard boundary between each domain. The 2016 Resource includes 4.01 Moz of M&I Resources (172 Mt @ 0.73 gpt which includes 3.2 Moz in 103 Mt @ 0.97 gpt). There are a further 0.58 Moz of Inferred Resources (24 Mt @ 0.74 gpt). These resources include a near surface oxide and transition resource of 1.94 Moz of M&I Resources (102 Mt @ 0.59 gpt which includes 1.36 Moz in 47 Mt @ 0.89 gpt) that averages 45 m in depth from surface. The 2016 Resource is based on a total of 440,009 m of drilling (to an average vertical depth of 120 m), including 283,940 m of Reverse Circulation ("RC") (4,703 holes) and 156,069 m of Diamond Drilling ("DD") (1,025 holes).

2017 Resource Update

In September 2016, the Company contracted RPA to update the 2016 Resource to include several mineralized intervals that occurred within the pit shells and outside of the 2016 wire frame envelopes. The 2017 Resource Mineral Statement was released on January 10, 2017. The methodology used for the current resource estimate was based on the same parameters used for the September 7, 2016 resulting in the addition of 391 lower grade envelopes to the North and South models, many of which demonstrated grade continuity suitable to be classified as Measured and Indicated Mineral Resources. There was also the addition of a minor third domain located outside the envelopes as an unconstrained model using a limited search ellipse up to 35 m by 35 m by 2.5 m. All of the "third domain" was classified as Inferred.

The overall results (Table 4) shows that the gold ounces contained in the 2017 M&I Resources increased by 15% from 3.22 million ounces to 3.69 million ounces with a 5% reduction in the average gold grade to 0.92 gpt as compared to the 2016 estimate. Of this, the Oxidized and Transition M&I Resource increased by 10% with a 3% reduction in the average gold grade to 0.87 gpt and the fresh rock (Sulphide) M&I Resource increased by 18% with the average gold grade reduced by 7% to 0.97 gpt. For comparison purposes, Table 4 also includes the 2013 Resource Statement based on the same cutoff grades (0.45 gpt for oxide & transition and 0.5 gpt for sulphide). These cutoff grades are well above the lower economic cutoff grades that will be used for estimating the 2017 reserves.

The increase in the 2017 Resource is directly attributable to the modeling (wire framing) of the additional mineralization that had been previously categorized as waste (third domain) in the 2016 estimate and not due to a change in methodology, gold price or the drilling database. By combining the 2017 increase in resources with this voluntary reduction in the 2016 Resources for technical and practical reasons, the difference between 2013 and 2017 resource estimates is now less significant than as announced on August 22, 2016.

The 2017 Mineral Resource Statement (Table 3) reports at the calculated economic cutoff gold grades of 0.2 gpt for oxide and 0.38 gpt sulphide. Compared to the 2016 estimate, at the calculated economic cutoff grades, the total Oxide and Transition M&I Resources increased from 1.935 Moz to 2.214 Moz and the total Sulphide M&I Resources increased from 2.074 million ounces to 2.556 million ounces.

RPA has been contracted by the Company to complete a new Mineral Reserve estimate based on the 2017 Mineral Resource estimate. The Company plans to update and optimize the feasibility study based on a 2017 Mineral Reserve estimate and mine plan.

Table 3 - 2017 Mineral Resources Statement for the Bomboré Deposit, Burkina Faso, West Africa

		Measured Mineral Resource			Indicated Mineral Resource			Measured and Indicated Mineral Resource			Inferred Mineral Resource		
Material Type	Cutoff gpt	Tonnes Mt	Grade gpt	Gold koz	Tonnes Mt	Grade gpt	Gold koz	Tonnes Mt	Grade gpt	Gold koz	Tonnes Mt	Grade gpt	Gold koz
Oxide+Tran HG	0.45	**16.9**	**0.94**	**513**	**36.5**	**0.83**	**974**	**53.4**	**0.87**	**1,487**	**4.8**	**0.77**	**117**
Oxide+Tran LG	0.2 to 0.45	18.5	0.33	196	50.1	0.33	531	68.6	0.33	727	16.4	0.29	151
Total Ox+Tr	**0.20**	**35.4**	**0.62**	**709**	**86.7**	**0.54**	**1,505**	**122.0**	**0.56**	**2,214**	**21.2**	**0.39**	**268**
Fresh HG	0.50	**2.3**	**1.18**	**87**	**68.7**	**0.96**	**2,121**	**71.0**	**0.97**	**2,208**	**20.1**	**0.97**	**630**
Fresh LG	0.38 to 0.5	0.8	0.43	11	24.2	0.43	337	25.0	0.43	348	6.9	0.43	96
Total Fresh	**0.38**	**3.1**	**0.99**	**97**	**93.0**	**0.82**	**2,458**	**96.0**	**0.83**	**2,556**	**27.0**	**0.84**	**726**
Total HG		**19.2**	**0.97**	**600**	**105.3**	**0.91**	**3,095**	**124.5**	**0.92**	**3,695**	**24.9**	**0.93**	**747**
Total LG		19.2	0.33	206	74.4	0.36	868	93.6	0.36	1,075	23.3	0.33	246
Total HG + LG		**38.4**	**0.65**	**806**	**179.6**	**0.69**	**3,964**	**218.1**	**0.68**	**4,770**	**48.2**	**0.64**	**994**

Notes: 1. CIM definitions were followed for Mineral Resources. 2. HG indicates material above the higher grade cutoffs, LG indicates low grade material between the high grade and breakeven cutoff grades. 3. Mineral Resources are estimated at variable cutoff grades depending on weathering layer and location. 4. Mineral Resources are estimated using a long-term gold price of US$1,400 per ounce. 5. A minimum mining width of approximately 3 m was used. 6. Bulk densities vary by material type. 6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. 7. Numbers may not add due to rounding. 8. The effective date of this Mineral Resource statement is January 5, 2017.

Table 4 - Comparison Table of 2017 to 2016 Mineral Resource Estimates at Similar Cut-off Grades

		Measured Mineral Resource			Indicated Mineral Resource			Measured and Indicated Mineral Resource			Inferred Mineral Resource		
	Cutoff gpt	Tonnes Mt	Grade gpt	Gold Koz	Tonnes Mt	Grade gpt	Gold Koz	Tonnes Mt	Grade gpt	Gold Koz	Tonnes Mt	Grade gpt	Gold Koz
2013 Ox+Tr	0.45	38.9	0.94	1,174	28.3	0.87	789	**67.2**	**0.91**	**1,964**	6.4	0.92	189
2016 Ox+Tr	0.45	16.3	0.98	514	30.7	0.85	840	**47.1**	**0.89**	**1,355**	1.0	0.76	24
2017 Ox+Tr	0.45	**16.9**	**0.94**	**513**	**36.5**	**0.83**	**974**	**53.4**	**0.87**	**1,487**	**4.8**	**0.77**	**117**
Difference		0.5	(0.03)	(2)	5.8	(0.02)	134	**6.3**	**(0.03)**	**133**	3.8	0.00	93
Percent Difference		3%	-4%	0%	19%	-2%	16%	**13%**	**-3%**	**10%**	381%	0%	383%
2013 Fresh (Fr)	0.50	44.1	1.03	1,456	28.6	1.24	1,142	**72.7**	**1.11**	**2,598**	12.1	1.38	534
2016 Fresh	0.50	6.7	1.07	232	49.1	1.04	1,638	**55.8**	**1.04**	**1,870**	15.9	0.89	457
2017 Fresh	0.50	**2.3**	**1.18**	**87**	**68.7**	**0.96**	**2,121**	**71.0**	**0.97**	**2,208**	**20.1**	**0.97**	**630**
Difference		(4.4)	0.10	(145)	19.6	(0.08)	483	**15.2**	**(0.08)**	**338**	4.2	0.08	174
Percent Difference		-66%	9%	-63%	40%	-8%	29%	**27%**	**-7%**	**18%**	26%	9%	38%
2013 Ox+Tr+Fr		83.0	0.99	2,630	56.8	1.06	1,931	**139.9**	**1.01**	**4,561**	18.4	1.22	723
2016 Ox+Tr+Fr		23.0	1.01	746	79.8	0.97	2,478	**102.9**	**0.97**	**3,224**	16.9	0.88	481
2017 Ox+Tr+Fr		**19.2**	**0.97**	**600**	**105.3**	**0.91**	**3,095**	**124.5**	**0.92**	**3,695**	**24.9**	**0.93**	**747**
Difference		(3.9)	(0.03)	(147)	25.4	(0.05)	617	**21.6**	**(0.05)**	**471**	8.0	0.05	267
Percent Difference		-17%	-3%	-20%	32%	-5%	25%	**21%**	**-5%**	**15%**	47%	6%	55%

Notes: A subset of the 2017 and 2016 Mineral Resources is reported in this table to draw comparisons to the 2013 model which was reported at a lower cutoff grade of 0.45 gpt for oxide and transition material and 0.50 gpt for fresh material.

Bomboré Regional Exploration Potential

The Bomboré oxide resources could be further expanded and upgraded by drilling the current inferred resources and the untested targets in the southern portion of the property with approximately 12,000 m of additional RC drilling. Furthermore, drill testing for ore grade mineralization in the untested gaps between the many smaller pits along the mineralized trend could result in the joining of several pits. This could add additional resources and may also marginally improve the overall strip ratio.

Approximately 2km south and along the Bomboré shear zone trend is the P17S sulphide prospect that hosts a new M&I resource of 27 koz (846,000 tonnes at a grade of 2.6 gpt) based on 22 core and 7 RC boreholes. The gold mineralization occurs in a deformed and shallowly plunging granodiorite unit. Drill results from the fall of 2016 continue to indicate that the resource could be significantly larger. SGS Lakefield was contracted to perform a metallurgical test program on 100 kg of representative composite samples from the P17S drill core and the results on average, are better than the whole ore cyanidation recoveries expected for main sulphide material at Bomboré based on a standard CIL circuit. These results are particularly interesting with grades more than double the average grade of the Bomboré resource and could have a positive impact on the project economics of the Phase 2 sulphide expansion.

Permit status and expansion

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 (63 km^2), Bomboré II (17.6 km^2), Bomboré III (42.7 km^2) and Bomboré IV (11.3 km^2). The second three-year term of the Toéyoko permit will expire in July 2017 and may be renewed for one additional three-year term.

The Government of Burkina Faso requires an annual minimum exploration expenditure of 270,000 CFA (~ US $434) per km^2 resulting in a minimum of 17,010,000 CFA (~ US $27,369) for Toéyoko. Expenditures can be carried forward year over year throughout the term and renewals of the permits. The Company has not had any difficulty in meeting these minimum requirements.

Ownership

The Company owns a 100% interest in the exploration permits. The government of Burkina Faso retains a sliding scale net smelter returns ("NSR") royalty of 3% to 5%, depending on the gold price, and 10% carried interest if the project is mined. On June 26, 2015, the *Conseil National de la Transition* (National Council of Transition) approved a new mining code which was promulgated on October 29, 2015, however, as of December 31, 2016 the government has not yet put into effect the enabling acts of the 2015 mining code. See note below, "*New Mining Code"* for further details. At December 31, 2016, Sandstorm held a 0.45% NSR on Bomboré however, the Company repurchased 100% of this royalty in January 2017 for $3.6M.

Analysis of expenditures on the Bomboré Gold Project

Expenses related to total exploration and evaluation costs decreased by $780K over the comparative prior-year period due to the FS activities being essentially complete as of the end of Q2 2015, offset by expenses relating to a drilling program, the resource modeling, engineering studies, ESIA and RAP work completed in 2016. General camp, infrastructure and other costs for the year ended December 31, 2016 decreased by $436K over the comparative prior-year period due to a reduction in camp occupancy, a water drilling program that was completed in 2015 as well as a reduction in community relations expenses offset by increased security costs year over year. Exploration and development costs decreased by $593K for the year ended December 31, 2016 over the comparative prior-year period due to the reduction in engineering and environmental costs related to the 2015 FS offset by increased resource update cost, ESIA finalization expenses, ongoing environmental monitoring, and work related to updating the 2015 FS. Exploration survey costs for the year ended December 31, 2016 decreased by $89K over the comparative prior-year period due to a reduction in staff in 2015 along with a shift in focus of some staff to the Bondi project in early 2016. Drilling and assaying expenditures at Bomboré for the year ended December 31, 2016 increased by $338K over the comparative prior-year period due to the commencement of a 6,000 m drill program in November 2016.

Bondi Project

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, both from the date of issue. The transaction also includes a US$20/oz royalty on the first 200,000 ounces sold out of production from the Bondi Permit area. Orezone and Sarama continue to do all things possible to complete the transaction, and while the shares and warrants have been issued in escrow, they will continue to be held in escrow until title to the Bondi project is formally approved and transferred to Sarama.

The Bondi gold project is a shallow and structurally controlled, 4 km long shear zone hosted gold deposit that contains 282,000 oz of M&I Resources at a grade of 2.12 gpt and 150,000 oz of Inferred Resources at a grade of 1.84 gpt.

In August 2012, formal approval of the renewal of the permit for its final three-year term, with the mandatory 25% reduction in the permit area, was received from the Government of Burkina Faso. In May 2015, the Company applied for an exceptional three-year extension for the permit, and on August 13, 2015, it was approved by the Government with receipt of the formal documentation on November 5, 2015.

Analysis of expenditures on the Bondi Project

Expenses related to drilling and assaying for the year ended December 31, 2016 increased by $73K over the comparative prior-year period due to a 521 m core drilling program mainly completed in Q1 2016 and analysis in Q2 2016 as compared to limited analysis expenditures in 2015. There was no significant variance for the remainder of the year over the comparative prior-year period. The general camp and infrastructure and other costs for the year ended December 31, 2016 increased $24K due to the focus on the drilling program in Q1 2016 and certification of historical expenditures in Q2 2016 for the Bondi sale to Sarama. During 2015, the Company incurred costs related to additional staff, and fuel costs resulting from the MMI^{TM} geochemical survey in H1 2015 and camp repairs in H2 2015. Exploration surveys expenditures for the year ended December 31, 2016 decreased by $41K due to costs in 2015 related to the geochemical survey, systematic XRF analyses of historical RC samples and an update of the geological model.

Burkina Faso Political Situation

On November 29, 2015, Burkina Faso held a successful election and a former prime minister, Roch Marc Christian Kaboré emerged as the winner of the presidential election, the first time the nation has elected a new leader in nearly three decades. He was officially sworn in on December 29, 2015 and the new cabinet was appointed on January 13, 2016.

New Mining Code

The mining legislation of Burkina Faso provides for certain taxes that are specific to mining activities and offers certain tax incentives for titleholders at different stages of their projects. As in many other African jurisdictions, Burkina Faso has revisited its 2003 Mining Code in view of increasing its benefits from the sector and has circulated proposed amendments to the Mining Code during the last four years. On June 26, 2015, the *Conseil National de la Transition* approved a new Mining Code that was adopted by the parliament on July 16, 2015, and promulgated on October 29, 2015; however, as of December 31, 2016 the government has not yet put into effect all of the enabling acts of the 2015 mining code. Items within the new Mining Code include, amongst others, the introduction of a new tax of 1.0% of the gross revenues to support a Mining Fund for Local Development, an effective increase in income tax rates from 17.5 to 27.5%, penalties for changes in production levels, the obligation for a mining company to pay a dividend if an after-tax profit is made and adequate reserves have been accumulated, and for feasibility studies to include a plan for the training and the promotion of local mining executives. The Company had been informally advised that the Mining Code in force at the time of submission of the application (2003 Code for Bomboré) shall apply to the mining permit upon its approval, however, the Bomboré mining permit issued on January 2017 refers to the 2015 Mining code. The Company intends to pursue all possibilities with the government of Burkina Faso that may potentially offset the negative impact of the 2015 mining code on the overall economics of the project. The updated feasibility study expected in Q2 2017 will include a cash flow model comparison between the 2003 and 2015 mining codes.

Total comprehensive loss for the years ended December 31 was as follows:

Table 5 – Financial Information

	2016	2015	2014
Expenses	**$**	**$**	**$**
Exploration and evaluation	**2,721,160**	3,446,962	7,548,248
General and administrative	**2,045,758**	2,508,262	2,510,503
Share-based compensation	**244,977**	212,643	906,706
Depreciation and amortization	**461,936**	713,577	1,109,987
Total Expenses	**5,473,831**	6,881,444	12,075,444
Other (loss) income	**(19,208)**	(604,899)	1,280,181
Net loss before tax	**(5,493,039)**	(7,486,343)	(10,795,263)
Income tax	**(5,980)**	(80,408)	(102,159)
Net Loss	**(5,499,019)**	(7,566,751)	(10,897,422)
Net change in fair value of available-for-sale financial	**-**	-	548,941
Realized gain on available-for-sale financial assets	**-**	-	(1,157,993)
Foreign currency translation loss	**(658,541)**	(630,363)	(991,765)
Other comprehensive loss	**(658,541)**	(630,363)	(1,600,817)
Net loss per common share, basic and diluted	**(0.04)**	(0.07)	(0.11)

The components of general and administrative costs for the years ended December 31 were as follows:

Table 6 – General & Administrative Expenses

	2016	2015	2014
Expenses	**$**	**$**	**$**
Salaries and employee costs	**1,079,302**	1,551,246	1,550,168
Public company costs	**214,653**	247,864	249,919
Professional fees	**288,229**	278,807	266,242
General and office costs	**305,889**	270,428	302,139
Investor relations and travel	**157,685**	159,917	142,035
Total Expenses	**2,045,758**	2,508,262	2,510,503

Table 7 – Consolidated Balance Sheets (Summary)

	2016	2015	2014
	$	$	$
Cash	**22,099,768**	3,835,256	3,415,283
Interest in exploration properties	**2,224,746**	2,671,402	3,785,638
Non-current liabilities	**3,600,000**	3,300,000	-
Shareholders' equity	**20,443,098**	3,465,709	6,464,614
Total assets	**24,848,587**	6,975,981	7,757,389
Comprehensive loss	**(6,157,560)**	(8,197,114)	(12,498,239)

The Company is in the exploration and evaluation phase and does not yet have revenue-generating activities. Accordingly, the Company's financial performance is largely a function of the level of exploration and evaluation activities undertaken on the active projects and the administrative expenses required to operate and carry out these activities as well as other items such as interest income and foreign exchange gains/losses. Below is a discussion of the major items that impact net loss for the years ended December 31, 2016 and 2015.

Exploration and evaluation costs in the year ended December 31, 2016 decreased by $726K over the comparative prior-year period. The decreased expenditures are mainly due to:

- reduced exploration and development study costs with the completion of the 2015 Bomboré FS in 2015 and related activities; and
- a reduced head count and resulting lower Bomboré camp costs as the focus shifted from onsite to offsite technical studies;

Offset by:

- a 6,000 m drill program was completed at Bomboré during Q4 2016;
- increased security at Bomboré site;
- an increase in Bondi drilling and assaying costs due to the 521 m core drilling program in early Q1 2016;
- additional engineering and environmental studies in 2016; and
- an increase in costs related to the certification of the historical expenditures for the Bondi project.

General and administrative costs ("G&A") include both the Company's head office expenses and the local office related to the Company's subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, director compensation, professional fees, investor relations, travel, facilities and IT, as well as all costs associated with maintaining the Company's listing on the TSXV.

Total G&A costs in the year ended December 31, 2016 decreased by $463K from the comparative prior-year period mainly due to:

- a decrease of $472K in salary and employee expenses as compared to the prior-year period mainly due to the implementation of the corporate restructuring with the departure of the CFO, Corporate Controller, Bomboré Gold Project Manager and employees in the subsidiaries near the end of 2015; CEO/SVP Exploration voluntary salary decrease in 2016; and reduction in COO work schedule from Nov'15 to mid-Jul'16; offset slightly by a temporary reduction (six months) of certain staff in Burkina Faso to 50% time in 2015; and

- a decrease of $33K in public company costs as compared to the prior-year period as a result of lower annual costs to be listed on the TSXV as compared to the TSX; offset by a slight increase in Directors' Fees for recognition of added work throughout 2016 as compared to the prior-year period;

Offset by

- an increase in general & office costs of $35K as compared to the prior-year period mainly due to added security at the in-country administrative office;

Other (loss) income is related to a foreign exchange gain of $512K over the comparable prior-year period and $86K finance income over the comparable prior-year period attributed to interest income on a higher cash balance; offset by the $17K sale of equipment and vehicles in 2015.

Income tax costs in the year ended December 31, 2016 decreased by $74.4K from the comparative prior-year period due to the Burkina tax assessment which was settled in 2015 offset slightly by income tax costs on Brighton Energy Corporation, a subsidiary that was wound down during the year.

Summary of Quarterly Results

The following summarized financial data 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 loss figures in the table are presented in US$ millions, except for the net loss per common share amounts (basic and diluted).

Table 8 – Summary of Quarterly Results

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
	$	$	$	$	$	$	$	$
Net loss attributable to common shareholders	(2.01)	(1.18)	(1.07)	(1.24)	(1.57)	(1.72)	(1.79)	(2.49)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)

The increase in net loss during Q4 2016 as compared to the quarter in 2015 and the quarters in 2016 is partially due to a RC and core drilling program in Q4 2016 as well as increased engineering/resource studies costs, offset by a continued reduction in exploration and development activities in 2016 with the majority of ongoing technical activities being completed by the end of 2015 and additional income tax expense relating to the settlement of the Burkina Faso tax reassessment in Q1 2015.

Sandstorm Gold Ltd. Royalty

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

The Agreement also granted Sandstorm a right of first refusal ("ROFR") on all future gold stream financings ("Stream") completed by the Company for up to three years after to the commencement of commercial production on the Bomboré Gold Project, regardless of the Company exercising its buy back option.

Liquidity and Capital Resources

The Company raises funds through the issuance of equity to conduct its activities, or through the sale of royalties or related interests. The Company has no mining operations and does not generate revenue from its operating activities.

The Company had cash of $22.1M at December 31, 2016, an increase of $18.3M compared to the $3.8M cash position at December 31, 2015. The Company had a working capital of $21.8M at December 31, 2016.

As at April 6, 2017, the Company had approximately $16.8M in cash. The Company currently has no committed funding or financing arrangements.

The Company intends to use part of its treasury to advance the Bomboré Gold Project during the remainder of 2017. The Bomboré activities underway include exploration drilling as well as updating the reserves, mine plan and feasibility study by the end of Q2 2017. The drill program will continue until the end of Q2 2017 based on continued positive results. Other activities include training programs for local peoples in the Bomboré region in combination with initial relocation work and minor infrastructure construction. Management is confident that the current working capital is sufficient to sustain the

Company's exploration and evaluation, continued development plans and general and administrative expenses on an ongoing basis at current levels and, based on planned expenditures and current contract commitments until the end of 2018.

Upon completion of an updated and positive feasibility study, a full project financing or partnership will be required to construct a mine at Bomboré. If the typical project financing facilities of debt and equity are not available on terms satisfactory to the Company, management and the Board of Directors may consider other strategic alternatives and re-evaluate programs and potentially defer some development activities in order to conserve its total resources in such a manner as deemed to be in the best interest of the Company and its stakeholders.

Use of Proceeds from Financings

On July 21, 2015, the Company announced the closing of a non-brokered private placement of $5M (C$6.5M) whereby it issued 21,666,666 common shares at a price of C$0.30 per share. The proceeds were used to advance the Bomboré Gold Project through the ongoing mine permitting process, optimize the economics and engineering of the recently completed feasibility study and for general corporate purposes. As of December 31, 2016, the Company has used the proceeds for expenditures on its Bomboré Gold Project and general corporate purposes.

On March 21, 2016, the Company announced the arrangement of a non-brokered private placement of $3.8M (C$5M) whereby it issued 10,000,000 common shares at a price of C$0.50 per share. The proceeds will be used to advance the Bomboré project through the ongoing mine permitting process, detailed engineering and for general corporate purposes. The private placement closed March 30, 2016. As of December 31, 2016, the Company has used $1.5M of the proceeds for expenditures on its Bomboré Gold Project and general corporate purposes.

On July 19, 2016, the Company completed a $20.3M (C$26.5M) equity financing that resulted in net proceeds of $19.1M (C$24.8M) whereby 26,450,000 common shares were issued at a price of C$1.00 per share. The proceeds of this financing have not been used as of December 31, 2016.

Share Capital Information

As at December 31, 2016, the Company had 154,050,364 common shares outstanding (fully diluted – 163,543,264).

Table 9 – Stock Options Outstanding as at December 31, 2016

	Outstanding			Exercisable	
Range of exercise prices	**Outstanding options**	**Remaining contractual life**	**Weighted-average outstanding exercise price**	**Vested options**	**Weighted-average vested exercise price**
C$		(in years)	C$		C$
$0.00 to $0.49	4,542,500	5.29	0.35	3,222,506	0.37
$0.50 to $0.99	2,230,000	2.47	0.70	2,230,000	0.70
$1.00 to $1.99	2,520,400	1.52	1.56	2,353,734	1.60
$2.00 to $2.99	200,000	3.81	2.35	200,000	2.35
	9,492,900	3.60	0.79	8,006,240	0.87

Contractual Obligations

As at December 31, 2016, the Company had contractual obligations for head office rent, professional fees, feasibility study update costs, communication services, security services, training costs, IT services and equipment and inventory purchases and rentals in the amount of $707,076 (as at December 31, 2015 – $147,979). 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 fiscal year.

Subsequent to December 31, 2016, the Company entered into further contractual obligations in the amount of $848,648 for drilling activities, sample analysis services, professional fees, feasibility study update costs, relocation action plan costs, building lease, security and surveillance services, communication services, marketing costs and equipment and inventory purchases and rentals, of which the majority are expected to be payable throughout the 2017 fiscal year.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

Sun Valley Gold LLC, a related party purchased 3,800,000 common shares in the March 30, 2016 private placement on the same terms and conditions as other subscribers. In addition, Mr. Patrick Downey a director with the Company 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 year ended December 31, 2016.

Proposed Transactions

The Company continually reviews potential merger, acquisition, investment and other joint venture and strategic alternative transactions that could enhance shareholder value.

Risks and Uncertainties

The Company is in the business of exploring for minerals and if successful, ultimately mining them. The natural resource industry is by its nature, both cyclical and with significant risks as listed below. Even though Management has been successful in the past in developing economic deposits, there is no assurance that the Company's projects will become economically viable. Once a potentially economic deposit is identified, the Company's ability to establish a profitable mining operation is subject to a host of variables including technical considerations, regulatory and political issues and economic factors (including the need to source the capital required to develop the project). Many of these are beyond the control of the Company. The most significant risks and uncertainties faced by the Company are:

- Orezone's ability to successfully establish mining operations and profitably produce gold;
- Potential for the Company to become subject to additional tax liabilities;
- Permitting and license Risks;
- Changes in, and volatility of, the price of gold;
- Operating in West Africa, including changes in government related unrest, protests and vandalism, government sanctions and related operational delays due to acts of protest and or terrorism, government instability and war;
- The speculative nature of resource exploration and development projects;
- Potential changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation;
- Potential changes to the mining code of Burkina Faso, tax laws, and related government guarantees or stabilization agreements thereof and the ability of the Company to dispute any changes that may negatively impact the value of the project and shareholder returns;
- The accuracy of Orezone's mineral resource and reserve estimates;
- The fact that Orezone has a history of losses and expects to incur losses for the foreseeable future;
- Orezone's reliance on its Management team;
- The availability of local labour, local and outside contractors and equipment when required to carry out our exploration and development activities;
- The Company's ability to finance the development of its mineral projects;
- Uncertainties related to title to the Company's mineral projects;
- The Government of Burkina Faso's interests in subsidiaries of Orezone holding mining permits;
- Health risks associated with the mining workforce in Burkina Faso;
- Environmental risks;
- Operational risks and hazards inherent in the mining industry including the security and protection of its employees against unforeseen events;
- The potential inability to maintain the infrastructure necessary to carry out mining, processing, development and exploration activities;
- Operations of the Company are carried out in geographical areas which are subject to various other risk factors;
- The Company's property interests are held in areas in Burkina Faso that have historically been mined by artisanal miners;
- Mining companies face increasing public scrutiny and monitoring of their activities to demonstrate that operations will benefit local governments and communities surrounding projects;
- Impact of evolving anti-corruption laws;
- The potential unavailability of insurance to cover certain risks;

- The competitive nature of the mining industry;
- Currency fluctuations;
- The Company does not intend to pay dividends in the foreseeable future;
- Investors may have difficulty enforcing judgments;
- Shareholders' interest in the Company may be diluted in the future;
- Factors that have historically made Orezone's share price volatile;
- Investors outside of Canada may have difficulty bringing actions and enforcing judgments against the Company, its directors, its executive officers and some of the experts named in this MD&A; and
- Differences in US and Canadian practices for reporting mineral resources.

Financial Risks

- Foreign currency risk;
- Market price risk;
- Liquidity risk;
- Credit risk; and
- Title risk, including renewals and application delays.

For a more detailed discussion of the above risk factors, refer to the Company's Annual Information Form and the Company's Annual Financial Statements filed for the year ended December 31, 2016.

Standards, Amendments and Interpretations not yet Effective

Revenue recognition

Revenue recognition

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") which supersedes IAS 11 – *Construction Contracts;* IAS 18 – *Revenue;* IFRIC 13 – *Customer Loyalty Programmes;* IFRIC 15 – *Agreements for the Construction of Real Estate;* IFRIC 18 – *Transfers of Assets from Customers;* and SIC 31 – *Revenue – Barter Transactions involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. On 22 July, 2015 the IASB confirmed a one-year deferral of the effective date of IFRS 15 to January 1, 2018. Early adoption is permitted.

Financial Instruments

In February 2016, the IASB issued IFRS 9 – *Financial Instruments* to replace IAS 39, IFRIC 9 and earlier versions of IFRS 9. The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that we present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The effective date of IFRS 9 is January 1, 2018. Earlier adoption is permitted.

Leases

The IASB issued IFRS 16 – Leases to replace IAS 40 – Investment Property, the objective of this standard is to set out the principles for the recognition, measurement, presentation and disclosure of leases. The effective date of IFRS 16 is January 1, 2019. Earlier adoption is permitted.

Financial Instruments

Financial assets and liabilities are initially recognized at fair value when the Company or its subsidiaries become party to the contracts that give rise to them. Subsequent measurement depends on whether the financial instrument is classified as fair value through profit and loss ("FVTPL"), available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments classified as: FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss); available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss); and, held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost. Transaction costs in respect of FVTPL financial instruments are recognized in net income (loss) at the transaction date whereas transaction costs in respect of other financial instruments are included in the initial fair value measurement of the financial instrument.

The Company may also enter into financial instruments or other contracts that contain embedded derivatives. Embedded derivatives (e.g. a lease denominated in a currency other than that of either counterparty to the contract) are accounted for separately from the host contract at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract, and the host contract is not classified as FVTPL.

The Company does not currently have derivative instruments.

The Company has made the following classifications with respect to its financial instruments:

- Cash is classified as FVTPL, which is measured at fair value.
- Trade and other receivables, excluding taxes receivable balances that do not meet the definition of a financial instrument, and refundable deposits included in prepaid expenses and deposits, are classified as loans and receivables, which are measured at amortized cost, using the effective interest method, less any impairment losses.
- Accounts payable and accrued liabilities, excluding taxes payable balances that do not meet the definition of a financial instrument, are classified as other financial liabilities, which are measured at amortized cost, using the effective interest method.
- The royalty-based obligation relating to the upfront royalty from Sandstorm Gold Ltd. is classified as a financial liability at FVTPL which is measured at fair value with unrealized gains (losses) recognized in net income (loss).

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Critical Accounting Estimates and Judgments

The preparation of the Annual Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Annual 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 Communauté Financière Africaine francs.

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

As disclosed in note 3(h) of the 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) of the Annual Financial Statements.

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 and its operating subsidiary tax filings may be reviewed from time to time in accordance with the Income Tax Act (Canada) and the Burkina Faso Code respectively. The Company's interpretations of underlying tax regulations may differ from those of the respective 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 obligation should be classified as a financial liability at fair value through profit and 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 and warrants

Management assesses the fair value of stock options and warrants, as disclosed in note 3(q) of the 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) of the 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.

Forward Looking Statements

Management's Discussion and Analysis of Financial Position and Total Comprehensive Loss for the year ended December 31, 2016 may contain or refer to certain 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 information may include reserve and resource estimates and the timing of updates thereof, planned expenditures on the Company's projects, obtaining renewed exploration permits, obtaining the official mining Decree and related mining convention, estimates of future production, unit costs and capital costs, 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 or production activities, the timing of commencement of operations, 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. 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 and sufficient financing, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects the failure of parties to contracts to honor contractual commitments, unexpected increases in budgets costs and expenditures, and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves 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

The resource estimates in the MD&A were prepared in accordance with the standards of the CIM and disclosed in accordance with 43-101 adopted by the Canadian Securities Administrators. The disclosure requirements of NI 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”). The MD&A uses the terms “measured”, “indicated” and “inferred” resources. Although these terms are recognized and required in Canada, the SEC does not recognize them. The SEC permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute “reserves”. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a measured or indicated resource will ever be converted into “reserves”. Further, “inferred resources” have a great amount of uncertainty as to their existence and whether they can be mined economically or legally, and United States investors should not assume that “inferred resources” exist or can be legally or economically mined, or that they will ever be upgraded to a higher category.

Qualified Persons

Dr. Pascal Marquis, Geo., Senior Vice President of Exploration, the Company’s qualified person under NI 43-101, supervises all work associated with exploration and development programs in West Africa. Mr. Tim Miller, the Company’s Chief Operating Officer, and Mr. Ron Little, P. Eng., the President and Chief Executive Officer, are also qualified persons 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. Orezone has also filed a current technical report on the Bomboré Gold Project titled “Technical Report On The Updated Mineral Resource Estimate For The Bomboré Gold Project, Burkina Faso, West Africa” and dated January 12, 2017 which contains detailed information about assay methods and data verification measures used to support the scientific and technical information disclosed in this MD&A.

Other MD&A Requirements

Additional information related to the Company including the Company’s Annual Information Form and technical reports can be found on SEDAR at **www.sedar.com**.