ORE**ZONE**

OREZONE GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

This Management's Discussion and Analysis ("MD&A") was prepared by management, and was reviewed and approved by the Board of Directors ("Board") on April 17, 2019, the date of this MD&A. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2018 and 2017 ("Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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. Throughout this document, abbreviations "M" means millions, "K" means thousands, "km" means kilometres, and "m" means metres.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out exploration and development programs or the need for future financing are forward-looking statements. Statements regarding the potential for expansion of current mineral resources, expected results including, but not limited to, targeted economic parameters and production levels for Bomboré, planned expenditures on the Company's projects 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 MD&A.

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. The Company has a Tier 1 listing on the TSX Venture Exchange ("TSXV") and trades under the symbol "ORE".

The Company is engaged in the exploration and development of gold properties in Burkina Faso, West Africa, focusing on its 90%-owned flagship Bomboré gold project ("Bomboré" or "Bomboré Project"). The Company's strategic plan is to bring its multi-million ounce Bomboré Project into production with forecasted first gold pour by Q2-2021.

2018 Highlights

1. **Completion of Bomboré 2018 Feasibility Study ("2018 FS") Demonstrating Strong Project Economics**

- On July 9, 2018, the Company released results of an updated feasibility study and new mineral reserve estimate on its Bomboré Project and filed the associated National Instrument 43-101 ("NI 43-101") technical report on August 23, 2018. The 2018 FS focused only on mining and processing the near-surface, free-digging oxides based on a simplified process flowsheet that minimizes upfront capital.
- The 2018 FS envisions a 13-year mine life with life-of-mine ("LOM") gold production of over 1.0M recovered ounces at a LOM All-in Sustaining Cost ("AISC") of $746 per ounce, resulting in a compelling project with an after-tax $NPV_{5\%}$ of $223M, after-tax IRR of 42%, and a payback period of 1.7 years at a base case gold price of $1,275 per ounce.
- The 2018 FS identified several optimization opportunities to significantly improve the project's economics, gold production profile, and mine life which will now be incorporated into a new expanded Bomboré feasibility study (see details below).

2. **Commencement of Phase II Sulphide Expansion Feasibility Study ("2019 FS")**

- In Q4-2018, the Company commenced work to update the 2018 FS to evaluate and quantify the economics of including a staged higher-grade sulphide expansion ("Phase II Sulphide Expansion") to complement the oxide mine plan in the 2018 FS. The Company is expecting to selectively mine defined higher-grade higher-margin shallow sulphide zones directly beneath the existing oxide reserves and from the nearby P17S satellite deposit starting in Year 3 of the oxide mine plan. The expansion will also include the processing of lower-transition oxides which require minimal drill and blast.

- Roscoe Postle Associates Inc. ("RPA") will update the current January 5, 2017 mineral resource estimate to include oxide material within the Restricted Zones (i.e. the mineralized portions of the main Bomboré deposit that are located on or adjacent to environmentally sensitive seasonal flood plains) and additional free-milling sulphide material at P17S in support of the 2019 FS.
- The processing of sulphide resources requires an expansion of the process plant through the inclusion of a separate front-end crushing-and-grinding circuit and leach tanks to pre-treat the sulphide material for 24 hours prior to comingling with the oxides in the existing Carbon In Leach ("CIL") circuit. Capital for this staged expansion is expected to be funded by future operating cashflows with planned construction starting in Year 2 of commercial production.
- The Company initially contemplated that higher-grade sulphide and lower-transition oxide resources could sustain an annual feed rate of 1.2M tonnes per annum ("tpa") to the sulphide plant. Upon further examination, the Company now believes a higher feed rate is achievable which will be detailed in the 2019 FS. Processing of the displaced oxide ore in the 2018 FS will be deferred to the later years of the extended mine life.
- The 2019 FS will also capture the anticipated benefits of the following opportunities identified in the 2018 FS:
    - Increase in plant throughput capacity from 4.5M tpa to 5.2M tpa with the addition of one extra CIL tank. The greater annual throughput will allow future processing of additional oxide resources from the Restricted Zones and higher-grade sulphide resources outside of the 2018 FS mine plan.
    - Redesign of the Tailings Storage Facility ("TSF") to utilize the larger available footprint, thereby reducing the dam embankment height and associated annual construction costs.

3. Bomboré Early Works and Pre-Construction Preparation

- Achieved early progress on the Resettlement Action Plan ("RAP") implementation which remains on the critical path. Specific RAP progress included:
    - Initiation of compensation payments in Q4-2018 to artisanal miners occupying the two artisanal sites within the Bomboré mining lease. The Company has now secured the areas of the two abandoned artisanal sites.
    - Approval to commence RAP construction for the Phase I resettlement sites encountered delays in the H2-2018 due to the late regulatory requirement for an environmental and social impact assessment ("ESIA") by the Ministry of Environment for the resettlement activities. The Company fulfilled this requirement by the end of 2018 which facilitated the commencement of RAP construction in Q1-2019 by the three local contractors selected to perform this work.
- Planned and commenced early infrastructure works in preparation for main project construction in 2020. Early works undertaken in Q4-2018 included camp upgrades comprised of a kitchen expansion, two new accommodation blocks and security upgrades; main access road improvements; and installation of temporary water storage ponds and pumps to support both the RAP and future construction efforts.
- Moved forward with front-end engineering and design ("FEED") of the Bomboré Project after the release of the 2018 FS to finalize plant site layouts, project design specifications, delivery times and formal cost quotes of major equipment packages which will better define quantity take-offs, cost estimates and schedule.
- Successfully recruited experienced, highly-qualified mining professionals to the Bomboré leadership group to lead the Project's construction and operational readiness efforts including a new General Manager that previously oversaw the construction of the Yaramoko Gold Mine in Burkina Faso and senior department heads in the areas of engineering, finance, health & safety, environment and security.

4. Bomboré Permitting Activities

- During 2018, the Company made good progress to have the Restricted Zones re-instated for mining through submission and approval of a plan of operations with the Ministry of Environment in Burkina Faso. Permitting for the Restricted Zones for inclusion into the Bomboré mining permit will be made in conjunction with the permitting application for P17S and the sulphide expansion to avoid overlapping reviews and cost duplication.

- On December 26, 2018, the Company received confirmation that the re-instatement of the 2-year construction order was approved by the Minister of Mines. The Company benefits from certain tax exonerations under the construction period covered by this order.

5. Bomboré Exploration Achievements

- The Company completed 24,013 m of RC and diamond drilling in the H1-2018 on highly prospective targets on the Bomboré property, following the drilling success from 2017. Results of this 2018 drilling program (see the Company's new releases of July 16, 2018 and July 31, 2018) demonstrates that prospective Bomboré mineralized structures remain open in multiple directions, and that high-grade zones and exploration upside exist within the main Bomboré mining lease and the surrounding exploration permits.

6. Financing Activities

- On April 10, 2018, the Company completed a non-brokered C$44,920,000 private placement ("2018 Private Placement") by issuing 56,150,000 common shares of the Company at a price per share of C$0.80. A new strategic investor, Resource Capital Funds VII L.P. ("RCF VII"), subscribed for 42,056,250 common shares for a 19.99% equity ownership in the Company.
- In November 2018, the Company selected Cutfield Freeman and Company Ltd. ("CF") as its financial advisor to assist with its project debt raising efforts for Bomboré, building on early discussions with lenders undertaken by management. Activities with CF are currently on hold but will resume once the Company nears completion of its 2019 FS which will form the basis of negotiations and due diligence review with potential financiers.

7. Corporate Activities

- On March 4, 2018, the Company appointed Peter Tam as chief financial officer.
- On June 28, 2018, shareholders approved the nomination of Kate Harcourt, Stephen Axcell and Marco LoCascio as new directors of the Company. These industry veterans further broaden the diverse skill sets of the Board as the Company prepares to advance toward construction and production.
- At December 31, 2018, the Company had a cash balance of $31.5M and no debt, and is well-funded to carry out its 2019 planned activities.

Significant Developments after 2018

1. Optimized Project Schedule

- On February 21, 2019, the Company announced a new project development schedule for Bomboré in order to mitigate project execution risks. The new schedule has extended anticipated plant commissioning and first gold pour from Q4-2020 to Q2-2021 which will provide the main benefits of:
  - Additional flexibility in the implementation of the upfront Phase I RAP by extending the construction schedule to ensure pace of home construction is more readily achievable, thereby maximizing local workforce training and hiring practices, and maintaining strong local community and government support.
  - Reduced operational risk and costs to the Project's main infrastructure as construction of the Off-Channel Reservoir ("OCR") to meet the project's production water demands will now preferentially commence in the dry season.

2. Organizational Changes

- On March 15, 2019, the Company announced the appointment of Louis Archambeault as VP Corporate Development and Strategy, and Ryan Goodman as VP Legal and Administration, and the departure of Tim Miller as COO and Joe McCoy as VP Administration.
- The Company will hire an experienced site-based Project Manager and will therefore not replace the COO role.

2019 Objectives and Outlook

The Company's 2019 objectives and outlook is to ensure that the Company remains on schedule to pour first gold from its Bomboré Project by Q2-2021. The Company's 2019 objectives and outlook are as follows:

- Release the results of the 2019 FS by the end of Q2-2019 with the filing of a new NI 43-101 technical report to follow in Q3-2019;
- Completion of Phase I RAP construction by end of 2019 to allow access for the start of the OCR excavation, TSF construction, and plant site earthworks in early 2020. Phase II RAP is deferred to 2020.
- Completion of FEED in Q1-2019 with restart of EPCM services by external engineering firms in Q4-2019.
- Advancement of the sulphide expansion, P17S, and Restricted Zone permitting with launch of ESIA study in 2019.
- Completion of on-going project early works to support RAP construction activities and permitting studies.
- Issuance of a full Bomboré mineral resource update by P&E Mining Consultants Inc., inclusive of all drilling completed to 2018 in Q3-2019.
- Secure debt package for the debt financing component of the Project budget by the end of 2019.
- No exploratory drilling is planned in 2019 as the Company expects to deploy its cash resources toward the advancement and construction of Bomboré.

<u>2019 Forecasted Expenditures</u>

The Company expects 2019 project expenditures to be in the range of $24.0 to $26.0 million which will include costs for the finalization of early stage project works, FEED completion, construction of Phase I RAP resettlement villages and associated infrastructure, and advancement of permitting efforts for the sulphide expansion and P17S satellite deposit. The Company anticipates a further spend of $5.0 million for corporate G&A, the 2019 FS report, and project financing efforts.

The 2019 forecasted expenditures are based on budgeted exchange rates of 550 CFA and 1.30 C$ to one US$, respectively.

With the new optimized project development schedule announced in February 2019, the Company is financed for its 2019 budgeted work and will utilize the longer financing window offered to secure the requisite project debt and/or evaluate strategic alternatives to fully fund Bomboré into commercial production.

Bomboré Gold Project

The Company's material property is the Bomboré Project, the largest undeveloped gold deposit in Burkina Faso, West Africa. Gold resources occur at surface in several zones contained within a gold-in-soil anomaly that extends virtually uninterrupted for 14 km. The property is comprised of a block of contiguous permits totalling 15,029 hectares ("ha") located in the Ganzourgou Province, Burkina Faso, approximately 85 km east of the capital city of Ouagadougou.

The property is readily accessible by a paved national highway RN4 and is in an area of moderate population density supported by local infrastructure that includes access to sufficient water from seasonal streams, modern communications, a local labour force in the nearby town of Mogtédo, and a large pool of skilled in-country contractors and consultants from the country's burgeoning mining sector.

The Bomboré Project benefits from a large oxide resource (average depth of 45 m) that sits above a large sulphide resource. The average depth of over 520,000 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.

In accordance with the Burkina Faso mining laws, the Government of Burkina Faso has a 10% carried equity interest in Orezone Bomboré SA, the Company's subsidiary that holds the mining permit for the Bomboré Project.

2018 Feasibility Study

On July 9, 2018, the Company announced the results of an updated NI 43-101 FS on the Bomboré Project. The NI 43-101 report dated August 23, 2018 was filed with securities regulators on August 23, 2018. The 2018 FS was prepared for the Company under the direction of Lycopodium Minerals Canada Ltd. ("Lycopodium"), an independent, well-recognized international engineering firm with extensive project experience in West Africa. The principal contributors to the FS are as follows:

Contributor	Scope
Orezone Gold Corporation	Project history, metallurgical testwork, resettlement
Lycopodium	Metallurgy testwork interpretation, process plant, project infrastructure, project development plan, compilation of capex and opex, financial modelling, coordination and compilation of FS report
Roscoe Postle Associates Inc.	Geology, mineral resources
AMC Consultants ("AMC")	Mining, reserve statement
Knight Piésold Consulting ("KP")	Tailings storage facility, water management and supply
WSP Global Inc.	Environment, permitting and community relations

2018 FS Economics and Highlights

Using the base case assumptions of $1,275 per gold ounce and an exchange rate of 550 CFA:1 US$, the project economics (on a 100% basis) were as follows:

- Pre-tax $NPV_{5\%}$ of $315 million and an IRR of 59% with a 1.3 year payback (from start of operations)
- After-tax $NPV_{5\%}$ of $223 million and an IRR of 42% with a 1.7 year payback (from start of operations)
- Mine life approaching 13 years with LOM gold production of 1.02 million ounces and an average annual gold production of 103,000 ounces in the first seven years
- Initial project construction cost estimate of $144 million with a 24-month construction period (includes six months allotted for upfront resettlement activities)
- LOM sustaining capital costs of $59 million
- LOM cash costs of $677/oz with cash costs of $445/oz in the first three years
- LOM AISC of $746/oz with AISC of $485/oz in the first three years

Mineral Resources (Inclusive of Mineral Reserves)

Mineral Resources Statement for the Bomboré Deposit, Burkina Faso, West Africa, RPA, January 5, 2017

		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 Oxide+Tran	**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. 7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. 8. Numbers may not add due to rounding. 9. The effective date of this Mineral Resource statement is January 5, 2017.

The 2018 FS mine plan was based on the above 2017 mineral resource estimate for Bomboré. The Company is currently working on updating the Bomboré mineral resource estimate by incorporating new and encouraging results from infill and step out drilling on both oxide and sulphide targets completed in 2016 to 2018, and the re-inclusion of previously excluded resources in the Restricted Zones. The Company expects to release an updated mineral resource estimate in Q3-2019.

Mineral Reserves

The Proven and Probable Mineral Reserves are the economically minable portions of the Measured and Indicated Mineral Resources as supported by the 2018 FS. The Mineral Reserves used in the 2018 FS considered only the saprolite and upper transition oxide layers of the Mineral Resources to an average depth of 45 m with no inclusion for the underlying lower transition and sulphide portions of the Bomboré mineral deposit.

Mineral Reserve Estimate – AMC, July 9, 2018

Category	Proven			Probable			Proven & Probable		
	Tonnes	Gold Grade	Gold Ounces	Tonnes	Gold Grade	Gold Ounces	Tonnes	Gold Grade	Gold Ounces
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
North	21.35	0.68	466	19.54	0.57	356	40.89	0.63	823
South				14.92	0.67	322	14.92	0.67	322
Southeast	0.19	0.85	5				0.19	0.85	5
Total	**21.54**	**0.68**	**472**	**34.47**	**0.61**	**678**	**56.00**	**0.64**	**1,149**

1. Mineral Reserves have been estimated in accordance with the CIM Definition Standards.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Reserves are estimated at an average long-term gold price of US$1,250.
4. Mineral Reserves are reported effective July 9, 2018.

Mining

The 2018 FS envisions a shallow free-dig (no requirement for drill and blast) open pit mining operation across multiple pits over the LOM. Mining will be by local contractor(s) using a conventional diesel-hydraulic excavator fleet, and small 30-tonne and 50-tonne road type rear-dump truck units.

The Company worked with AMC to develop a mine plan and production schedule to optimize project returns by processing higher-grade ore in the early years and stockpiling lower-grade ore for processing after mining is completed in Year 11.

Total ore processed, including lower-grade stockpiles, will be 56.0M tonnes ("Mt") grading an average gold of 0.64 grams per tonne ("g/t"). The LOM strip ratio is 1.68:1.

Mineral Processing

Due to the soft, fine-grained oxide ore in the FS mine plan, the processing plant has been designed as a CIL operation without the need for crushing and only minimal grinding to achieve LOM plant recovery in excess of 89%. A single-stage ball mill, in closed circuit with hydrocyclones, will be utilized to attain the optimal grind size of 80% passing below 125 microns with the ball mill discharge reporting to a seven-stage CIL circuit for gold recovery. Residence time within the CIL tanks will be 24 hours due to the fast leach kinetics of the ore. Gold will be recovered in a standard carbon desorption (Zadra) plant, finishing with electrowinning and smelting to produce gold doré bars.

The CIL tails will be thickened to recover process water and then pumped to a HDPE-lined TSF. The TSF is designed to be zero discharge, with water recovered in a decant tower and returned to the process water tank at the plant.

The processing plant will operate 365 days per year with ore throughput of 4.5M tpa over the LOM.

Project Infrastructure

Bomboré is located in a mining-friendly jurisdiction and is favourably situated near the capital city of Ouagadougou. Burkina Faso has experienced rapid development of its mining sector over the past decade, which has contributed to the growth of available mining contractors, suppliers and skilled labour. These project characteristics will help to keep construction and operating costs low. Additional infrastructure items pertaining to water supply, power and accommodations are described below:

(a) **Water Supply:** Raw water will be sourced from the seasonal Nobsin River and diverted by a permanent weir into an OCR. The OCR is essentially one of the mine pits excavated early and designed to hold sufficient water for the project on an annual basis.

(b) **Power Supply:** A heavy-fuel oil (HFO) power station will be constructed at the process plant by an independent power provider under a build-own-operate agreement. Eleven kV aerial transmission lines will be constructed from the power station to the TSF, OCR, accommodation camp, and the mining contractor's area.

(c) **Offices and Accommodation:** The existing 76-bed camp will be augmented by a new 18-bed private room accommodation block for senior staff. A fully functioning kitchen and dining facility are in place and are operated by a catering and accommodation service provider. All offices and communication systems are in place and will require minimal upgrading.

In Ouagadougou, the Company owns a fully functional office and warehouse facility which will serve as a management and logistics base for the Bomboré operation. Administrative functions such as procurement, accounting and government relations will be based out of the Ouagadougou office to reduce the burden on site facilities.

Capital Costs

The initial construction costs for Bomboré are estimated at $144.0M before the pre-production period build-up of ore stockpiles in working capital, and operating costs and revenues from gold produced during the three-month commissioning period. Inclusive of these amounts, total upfront project costs are estimated at $155.0M.

Project Capital Area	**US$ M**
Process Plant	45.3
Infrastructure	16.2
Mining	1.2
Construction Indirects	13.2
EPCM	11.6
Resettlement Action Plan	24.3
Owner's Costs	21.5
Subtotal	**133.3**
Contingency	10.5
Total Initial Construction Costs	**143.8**
Working Capital (ore stockpiles)	33.7
Pre-production Operating Costs	8.5
Pre-production Gold Sales	-31.2
Total Upfront Costs	**154.8**

LOM sustaining capital costs are estimated at $59.0M, predominantly for staged expansions of the TSF. Closure costs, net of salvage value, at the end of mine life are estimated at $12.0M.

Area	**US$ M**
Tailings and Water Management	57.8
Mining	1.2
Total Sustaining Capital Costs	**58.9**
Reclamation and Closure	14.5
Salvage Value	-2.3
Total Sustaining Capital and Closure Costs	**71.1**

Operating Costs

LOM site-based operating costs are estimated at $11.18 per ore tonne processed, benefitting from the low abrasion, fine-grained, free-dig nature of the ore in the 2018 FS mine plan which will be mined without the need for drill and blast in the pits, and will only require minimal grinding to achieve the desired grind size for leaching in the CIL circuit.

Description	**Total Costs ($M)**	**$/tonne processed**	**$/ounce**
Mining	257.0	4.59	251
Processing	275.8	4.92	269
Site G&A	93.6	1.67	91
Refining and transport	1.5	0.03	2

Description	Total Costs ($M)	$/tonne processed	$/ounce
Government royalties	65.2	1.17	64
Total Cash Cost	**693.1**	**12.38**	**677**
Sustaining capital	58.9	1.05	58
Rehabilitation and closure (net of salvage)	12.2	0.22	12
All-in Sustaining Cost[1]	**764.3**	**13.65**	**746**
[1] AISC excludes corporate G&A expenses			

Development Timetable

The project timetable to construct the Bomboré operations is estimated at 24 months, including time to complete the RAP, excavate the OCR and commission the process plant. The critical path items are the RAP and OCR excavation. Timely completion of the RAP will allow early commencement of the OCR excavation which will meet the water needs for commissioning and subsequent operations as the OCR is filled during the rainy season each year.

Project Enhancement Opportunities

Several viable opportunities exist to materially improve the overall cashflows of Bomboré from those shown in the base case economics in the 2018 FS. The Company is continuing work on investigating each of these value-enhancing opportunities listed below and is aiming to incorporate these into the 2019 FS:

(a) **Plant Expansion from ~ 4.5M tpa to ~ 5.2M tpa**: By adding one more CIL tank and making minor modifications to ancillary equipment at an estimated cost of $2.9M based on a recent review by Lycopodium, the plant's nameplate capacity could be increased to 5.2M tpa which could be utilized to accelerate the processing of lower-grade stockpiles or more importantly, to possibly process material from the Restricted Zones or higher-grade sulphide resources outside of current mineral reserves. The Company will now proceed to detailed design and engineering using the 5.2M tpa plant as the design criteria.

(b) **TSF Re-design**: In designing the TSF for the 2018 FS, KP utilized the footprint from the 2015 feasibility study which was constrained by the waste dump and low-grade stockpile located to the south which are no longer required in the 2018 FS. With the expanded TSF footprint, the embankment volume and dam height for the staged TSF lifts over the LOM can be reduced. KP have completed a first stage LOM revised layout which showed that the re-design could reduce the overall LOM TSF costs by potentially up to $20M. The Company will proceed with the lower-cost, expanded TSF design during the engineering phase.

(c) **Mining of the Restricted Zones**: The Company has drilled off historical mineral resources located within the flood zones of two seasonal rivers that cut through the deposit. The historical mineral resources in these environmentally sensitive Restricted Zones are excluded from the current 2017 Mineral Resource statement and accordingly, from the 2018 Mineral Reserves supported by the 2018 FS. The Company recently received notice and detailed terms of reference from the Ministry of Environment, Green Economy and Climate Change to proceed with the permitting of these zones. Provided that the ESIA meets these terms of reference, the Company should receive permission to proceed with the mining of these historical resources. The Company is currently working with AMC on preparing a suitable mine plan for seasonal mining and concurrent reclamation of these Restricted Zones for the ESIA.

(d) **Higher-grade Sulphide Expansion using P17S and Higher-Grade sulphides beneath the existing Oxide Pits:** The plant layout has been designed to accommodate any future installation of a crushing circuit to process the harder sulphide portion of the Bomboré deposit. The Company has identified a large, shallow high-grade deposit in P17S located just outside of the current mining permit. The Company has also recently completed a detailed review with its consultants and identified significant zones of higher-grade M&I sulphide mineralization beneath the existing oxide pits. The Company is finalizing a detailed feasibility study update to its 2018 FS for a staged Phase II sulphide expansion that will include these higher-grade sulphide resources as supplemental plant feed to the oxide mine plan under the 2018 FS.

Expected Potential Impact of the 2019 FS

The 2019 FS will incorporate the aforementioned project enhancement opportunities enumerated in the 2018 FS and will provide a new detailed project development schedule that has plant commissioning and first gold pour occurring after the date provided for in the 2018 FS. The 2019 FS will also present new project economics, capital estimates, mine life, and annual gold production profile from the above summarized results found in the 2018 FS.

Bomboré Exploration Potential

The Bomboré oxide resources have the potential for further expansion and upgrading through drilling the current inferred resources and the P13 target in the southern portion of the property with additional RC drilling. Furthermore, drill testing for mineralization in the untested gaps between the many smaller pits along the mineralized trend could result in the joining of several pits. This drilling, if successful, could add additional resources and may also improve the overall strip ratio.

Approximately two km south and along the Bomboré shear zone trend is the P17S sulphide deposit that hosts a Measured and Indicated resource of approximately 26k oz (310,000 tonnes at a gold grade of 2.6 g/t) based on 22 core and 7 RC boreholes. Since the publication of this resource, significant drilling has been completed which indicate that the resource could be significantly larger and a new resource estimation is planned for this zone as part of the 2019 FS. The gold mineralization occurs in a deformed and shallowly-plunging granodiorite unit. Historical metallurgical test work resulted in whole ore cyanidation recoveries above 90% based on a standard CIL circuit. Additional test work completed as part of the 2019 FS has confirmed these recovery parameters.

Permit status

The current Bomboré Project surface are is 150 km^2 includes the mining permit (25 km^2) and four exploration permits: Toéyoko (46.7 km^2), Bomboré II (18.2 km^2), Bomboré III (48.1 km^2) and Bomboré IV (12.4 km^2). The second three-year term of the Toéyoko permit expired in July 2017 and the Company applied to renew the permit for the final three-year term in April 2017. The Company received the official renewal *Arrêté* for the last 3-year tenure from the Ministry of Mines on August 1, 2017. The Bomboré II, Bomboré III and Bomboré IV permits were granted on January 17, 2017, will expire in January 2020 and may be renewed for two additional three-year terms.

In May 2017, the Company received the Order that sets the 2-year construction fiscal regime period from December 30, 2016 to December 29, 2018. As the Company was not expected to make a decision about the construction of the mine until after the completion of the 2018 FS and as provided by the Mining Code, the Company applied for and the Minister of Mines approved on November 23, 2017, the request to suspend construction for up to two years. The Mining Code provides for two 2-year exemption periods that can be applied for by the Company and, if granted, can delay the beginning of the 2-year construction fiscal regime by as much as four years. Effective December 26, 2018, the Company received written confirmation that its application to re-instate the 2-year construction order has been approved by the Minister of Mines.

The government of Burkina Faso requires an annual minimum exploration expenditure of 270,000 CFA (~US$465) per km^2 resulting in a minimum of 33,800,000 CFA (~US$58,200) for its exploration permits. 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.

New Burkina Faso Mining Code ("Mining Code")

The mining legislation of Burkina Faso provides for certain fiscal policies that are specific to mining activities and offers certain tax incentives for titleholders at different stages of their projects. On June 26, 2015, the *Conseil National de la Transition* (National Council of Transition) approved a new Mining Code that was adopted by the parliament on July 16, 2015 and promulgated on October 29, 2015.

Since January 2017, the government commenced the release of a series of seven Decrees that will implement the 2015 Mining Code; these Decrees will be followed by several Orders that will further define how the 2015 Mining Code will be implemented. 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%, and for feasibility studies to include a plan for the training and the promotion of local mining executives. A sliding scale government NSR royalty of 3% to 5%, depending on the gold price, remains.

REVIEW OF FINANCIAL RESULTS

The Company is in the exploration and evaluation phase and does not yet have revenue-generating activities in any financial period. Accordingly, the Company's financial performance is largely a function of the level of exploration and evaluation activities undertaken on Bomboré and the administrative expenses required to operate and carry out these activities. Discussion of the major items that impacted net losses for the three months and year ended December 31, 2018 and 2017 is provided below.

With the release of the 2018 FS during Q3-2018, the Company made a determination on whether the Bomboré Project had established "technical feasibility and commercial viability" under its accounting policy for exploration and evaluation expenditures. Management concluded that "commercial viability" has not yet been reached as project financing is not yet reasonably advanced to provide adequate assurance that Bomboré will be fully financed into commercial production and hence, Bomboré remains in the exploration and evaluation phase. As a result, the Company has continued to expense exploration and evaluation expenditures for 2018.

Restatement of Comparative 2017 Financial Results

Comparative figures for 2017 have been restated for correction of a prior period error in the accounting for non-controlling interest in Orezone Bomboré S.A. ("OBSA"). OBSA is the holder of the Bomboré mining permit in Burkina Faso which was granted by government decree on December 30, 2016. In connection with the mining permit issuance, the Burkina Faso government was provided with a 10% free carried interest in OBSA effective on the permit grant date.

The Burkina Faso government's 10% ownership interest in OBSA represents the non-controlling interest in the Company's financial statements and under IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), the Company is required to attribute the profit and loss and each component of other comprehensive income to the Company's shareholders and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance in the statement of financial position.

The Company did not previously allocate any amount of OBSA's comprehensive loss for 2017 to the non-controlling interest which did not follow the guidance in IFRS 10. The Company has corrected for this error by restating the comparative figures shown below for the three months ended and year ended December 31, 2017, respectively. The restatement did not impact the "Net Loss" shown for the Company for either period.

Financial Results for the Year Ended December 31, 2018

The following table is based on financial statements prepared in accordance with IFRS. Comparative figures for 2017 have been restated for correction of a prior period error in the accounting for non-controlling interest and does not impact any amounts shown under "Net loss for the year" (see Note 18 to the Annual Financial Statements):

	2018	**2017 (as restated)**	**2016**
Expenses			
Exploration and evaluation costs	**$9,393,373**	$4,487,292	$2,721,160
General and administration costs	**4,432,402**	3,759,412	2,045,758
Share-based compensation	**1,619,609**	1,117,489	244,977
Depreciation and amortization	**342,184**	340,176	461,936
Total expenses	**15,787,568**	9,704,369	5,473,831
Other income (loss)	**14,454**	935,761	(19,208)
Net loss before tax	**15,773,114**	8,768,608	5,493,039
Income tax expense	**-**	-	5,980
Net loss for the year	**15,773,114**	8,768,608	5,499,019
Net loss attributable to shareholders of Orezone	**14,974,814**	8,503,266	5,499,019
Basic and diluted net loss per share attributable to shareholders of Orezone	**(0.08)**	(0.06)	(0.04)

Exploration and Evaluation Costs

Exploration and evaluation costs increased by $4.9M as compared to 2017 primarily due to the following factors:

- an increase in exploration and development studies cost of $2.1M from the completion of the 2018 FS at a cost of $1.3M, consultant costs for the on-going Bomboré mineral resource update, costs associated with 2019 FS initiated in Q4-2018, and from project optimization studies and early FEED activities undertaken by engineering consultants in the H2-2018 following the release of the 2018 FS.

- an increase in general, camp and infrastructure costs of $1.1M in response to the higher level of project activities in the current year and in preparation of future development and remaining permitting work for Bomboré. Increase in 2018 costs included higher salary expenses with the hiring of experienced department heads for health and safety, and environment in the H2-2018.

- an increase of $2.0M for expenditures spent on RAP implementation activities. Compensation payments made to relocated artisanal miners totaled $1.3M with remaining RAP costs comprised of external local consultants to assist with the RAP permitting, implementation and monitoring efforts.

offset partially by:

- a decrease in drilling and assaying costs of $181K as a result of a smaller exploration drilling program conducted in 2018 versus 2017. In 2018, the Company completed 24,013 m of drilling on targets within and adjacent to its mining permit as a follow-up to its successful 2017 drilling campaign which saw 29,042 m drilled to confirm the extension high-grade mineralization at P17S and to drill test the presence of higher-grade zones associated with the shallower plunging granodiorite control found within the oxidized portion of the mining lease.

General and Administrative Costs

General and administrative costs increased by $673K as compared to 2017 primarily due to:

- an increase in salaries and employee costs of $233K arising from the recruitment of senior administration personnel in Burkina Faso in the H2-2018 to assist with the advancement of Bomboré and from head office additions made to the Company's senior finance team in 2018.

- an increase in general and office costs of $148K related to increased business travel to and activities in Burkina Faso; increased rent associated with the new Vancouver office; and costs associated with IT equipment upgrades partially offset by severance paid to the Company's former CEO in 2017.

- an increase in professional fees of $154K due to recruiting costs to fill key project positions, CF financial advisory fees for December 2018, and from consulting services for the Company's new VP of Corporate Development starting in the H2-2018.

- an increase in investor relations and travel costs of $106K as the Company participated in more industry and investor conferences and meetings during the current year to raise investor awareness of the new development approach for the Bomboré Project.

- an increase in public company related costs of $32K resulting from the addition of new directors in the H2-2018.

Share-based Compensation

Share-based compensation expense increased by $502K as compared to 2017 due to the greater number of stock options granted in the current year versus the same comparable periods in 2017. The vesting period for stock options granted by the Company is typically over two years divided into three tranches with 1/3 vesting on grant, 1/3 on the first anniversary and 1/3 on the second anniversary. Additional options were granted in 2017 and 2018 as a result of management and board changes during this period, increasing the amount of stock-based compensation recognized in the current year.

Depreciation and amortization

Depreciation and amortization expense increased marginally by $2K as compared to 2017 as depreciation on 2018 capital additions of field equipment and new accounting software were offset by a decrease in depreciation from capital items fully depreciated in the current and prior year.

Other Income

Other income decreased by $921K as to compared to 2017 mainly as a result of the Company recognizing:

- a non-recurring gain of $1.4M on the sale of the Bondi project to Sarama Resources Ltd. ("Sarama") in Q3-2017 offset by an impairment charge of $738K on its Sarama investment at the end of 2017 based on the Company's assessment that the investment had suffered a significant and prolonged decline in fair value.

- a fair value loss of $535K in 2018 on its Sarama investment due to the continued share price decline for Sarama in 2018.

- a $451K increase in interest income from its cash holdings driven by a higher average cash balance (from the 2018 Private Placement) and rising interest rates for 2018.

Financial Results for the Three Months Ended December 31, 2018

The following table is based on financial statements prepared in accordance with IFRS. Comparative figures for the three months ended December 31, 2017 have been restated for correction of a prior period error in the accounting for non-controlling interest and does not impact any amounts shown under "Net loss for the period" (see Note 18 to the Annual Financial Statements).

	Three months ended December 31, 2018	**Three months ended December 31, 2017 (as restated)**
Expenses		
Exploration and evaluation costs	**$4,321,174**	$820,860
General and administration costs	**1,279,470**	1,011,068
Share-based compensation	**233,698**	206,205
Depreciation and amortization	**93,676**	79,468
Total expenses	**5,928,018**	2,117,601
Other income (loss)	**35,218**	(683,916)
Net loss before tax	**5,892,800**	2,801,517
Income tax expense	**-**	-
Net loss for the period	**5,892,800**	2,801,517
Net loss attributable to shareholders of Orezone	**5,465,094**	2,711,701
Basic and diluted net loss per share attributable to shareholders of Orezone	**(0.03)**	(0.02)

Exploration and Evaluation Costs

Exploration and evaluation costs increased by $3.5M in Q4-2018 as compared to Q4-2017 due mainly to:

- a decrease in drilling and assaying costs of $45K as the Company conducted no exploratory drilling in the current quarter as its 2018 drilling campaign was completed in H1-2018. The Company did conduct geotechnical drilling in the current quarter on the future site of the processing plant at a cost of $118K while in Q4-2017, the Company drilled 2,470 m as part of its 2017 planned drilling program at a cost of $163K.

- an increase in exploration and development studies costs of $1.3M mainly from the start of FEED activities and optimization studies after the release of the 2018 FS in August 2018, and early expenditures incurred on the 2019 FS update initiated in November 2018.

- an increase in general, camp and infrastructure costs of $1.0M in response to the higher level of project activities in the current quarter and in preparation of future development and remaining permitting work for Bomboré. Increase in 2018 costs included higher salary expenses with the hiring of experienced department heads for health and safety, and environment in the H2-2018.

- an increase of $1.2M for expenditures spent on RAP implementation activities. Compensation payments to artisanal miners commenced in the current quarter and totaled $1.3M with remaining RAP costs comprised of external local consultants to assist with the RAP permitting, implementation and monitoring efforts. RAP expense recognized in Q4-2018 benefitted from the reversal and reclassification of certain expenses to other departments for 2018.

General and Administrative Costs

General and administrative costs increased by $268K in Q4-2018 as compared to Q4-2017 primarily as a result of:

- an increase in salaries and employee costs of $218K arising from the recruitment of senior administration personnel in Burkina Faso in the H2-2018 to assist with the advancement of Bomboré and from head office additions made to the Company's senior finance team in 2018.

- an increase in professional fees of $82K due to recruiting costs to fill key project positions, CF financial advisory fees for December 2018, and from consulting services for the Company's VP of Corporate Development.

- an increase in investor relations and travel costs of $85K as the Company participated in more industry and investor conferences and meetings during the current quarter to raise investor awareness of the new development approach for the Bomboré Project in addition to travel costs incurred to meet with potential financial advisors for its project debt.

partially offset by:

- a decrease in general and office costs of $124K due to a $241K reclassification of permit fees on the Bomboré mining lease from general and office costs to exploration and evaluation costs in the current quarter. This decrease was partially reduced by higher costs for increased business travel to and activities in Burkina Faso and increased rent associated with the new Vancouver office.

Share-based Compensation

Share-based compensation expense increased by $27K due to the greater number of stock options granted in the current and prior years for 2018 versus the same comparable periods for 2017. Stock options granted by the Company typically vest over two years in three tranches with 1/3 vesting on grant, 1/3 vesting on the first anniversary and 1/3 vesting on the second anniversary. The higher share-based compensation is principally due to having more options under vesting in the current quarter versus the same quarter in 2017.

Depreciation and amortization

Depreciation and amortization expense increased by $14K due to the greater amount of capital additions made in 2018 when compared to 2017.

Other Income (Loss)

Other income increased by $719K from a loss of $684K in Q4-2017 to a gain of $35K in Q4-2018 largely as a result of:

- an impairment charge of $738K recognized on the Company's investment in Sarama at the end of 2017 based on the Company's assessment that the investment had suffered a significant and prolonged decline in fair value.

- a $159K increase in interest income from its cash holdings driven by a higher average cash balance (from the 2018 Private Placement) and rising interest rates for 2018.

offset partially by:

- a fair value loss of $121K on its marketable investments attributable to a further share price decline in Sarama common stock in Q4-2018.

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).

The quarterly net loss attributable to shareholders of Orezone have been restated for all prior quarters presented due to correction of an error on the accounting of non-controlling interest in the Company's 90%-owned subsidiary, Orezone Bomboré S.A. ("OBSA"). OBSA holds the Bomboré mining permit with the Government of Burkina Faso owning a 10% free-carried interest in OBSA (see Note 18 to the Annual Financial Statements).

	Q4 2018	Q3 2018 restated	Q2 2018 restated	Q1 2018 restated	Q4 2017 restated	Q3 2017 restated	Q2 2017 restated	Q1 2017 restated
Net loss for the period	(5.89)	(2.93)	(3.83)	(3.12)	(2.80)	(0.72)	(3.25)	(2.00)
Net loss attributable to shareholders of Orezone	(5.46)	(2.81)	(3.67)	(3.03)	(2.71)	(0.60)	(3.22)	(1.97)
Net loss per common share attributable shareholders of Orezone, basic and diluted	(0.03)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.01)

Under the Company's current exploration and evaluation phase, the fluctuation in net loss between quarters is mainly a function of project development, exploratory drilling, and project study work undertaken.

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 is not yet in production and does not generate revenue from its current operating activities.

The Company had cash of $31.5M at December 31, 2018, an increase of $20.4M compared to the $11.1M of cash at December 31, 2017 due to proceeds from the 2018 Private Placement. These proceeds allow the Company to continue to advance the development of Bomboré and fund general corporate expenditures.

The Company expects to expend between $29.0M to $31.0M on its budgeted 2019 activities (see section "2019 Objectives and Outlook"). Management believes that the Company has sufficient cash resources to fund its planned activities for 2019. This assessment is based on the Company's annual budget, available cash and the fact that certain of the Company's expenditures are discretionary in nature and can be deferred without a detrimental impact to the Company or its mineral property interests.

Management is currently working on securing an optimum financing package for construction of the Bomboré Project. Additional financing will be needed to construct and to develop the Bomboré Project. Although the Company has been successful in raising funds to date, there can be no assurances that adequate financing will be available in the future or available under terms that are acceptable to the Company. In particular, the price of gold remains volatile and uncertain, which could pose challenges in raising the required amount of construction financing.

Concurrent with the 2018 Private Placement, the Company and RCF VII entered into an Investor Rights Agreement whereby RCF VII has been granted the following rights: (a) participation rights in favour of RCF VII to maintain its pro-rata shareholding interest up to 19.99% in the Company for as long as it remains at least a 10% shareholder; (b) the right to nominate up to two members to the board of directors of the Company; (c) participation rights to subscribe for up to one-third of any future debt or non-equity financings by the Company to assist with the construction of Bomboré; and (d) participation on project oversight committees to assist with the development of Bomboré.

Use of Net Proceeds from the July 2016 Financing

On July 19, 2016, the Company completed a $20.3M (C$26.5M) short form prospectus 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. However, as a result of subsequent events, including its comprehensive review of the Bomboré Project following the appointment of its new CEO, the use of proceeds set out in the short-form prospectus has been reallocated. The reallocation has principally been to provide the

Company with the necessary funding to prepare an updated resource and feasibility study that were not anticipated at the time of the prospectus. As of December 31, 2018, the Company has used all of the $19.1M of the net proceeds as outlined below:

Use of Net Proceeds from the July 2016 Financing

2016 Financing Categories	July 2016 Prospectus $ M	Actual Expenditures to December 31, 2018 $ M
Bomboré detailed engineering	1.9	-
Relocation preparation and implementation	1.0	2.0
Construction of bridge and fence	1.6	0.2
Camp construction	3.1	0.3
Construction of new village	5.4	-
Buyout of Sandstorm Royalty	3.6	3.6
Working capital and general corporate purposes	2.5	5.8
Exploration & Feasibility Study expenses	-	7.2
Total use of proceeds	**19.1**	**19.1**

Share Capital

As at April 17, 2019, the Company had 212,314,406 common shares and 16,556,000 stock options issued and outstanding.

Contractual Obligations

As at December 31, 2018, the Company had contractual obligations primarily relating to its head office rent, resettlement action plan and early infrastructure construction, in the amount of $3,246,000 (as at December 31, 2017 – $1,580,613).

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.

Proposed Transactions

The Company continually reviews potential merger, acquisition, investment and other joint venture and strategic alternative transactions that could enhance shareholder value. However, there are no proposed transactions currently under examination.

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. 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:

- resource exploration and development projects are inherently speculative in nature
- the Bomboré Project is in Burkina Faso and is subject to security risks that include mine site security and the safety of the Company's personnel and contractors
- the RAP is a complex and costly activity and may not go according to plan
- successfully establishing mining operations and profitably producing gold cannot be assured
- the Company's operations are dependent on receiving and maintaining required permits and licenses
- the Company's economic prospects and the viability of the Bomboré Project is subject to changes in, and volatility of, the price of gold

- the Bomboré Project is subject to financing risks
- government regulations and permitting may have an adverse effect on Orezone's activities
- adverse changes may be made by the government of Burkina Faso to the Mining Law, tax rates, and related regulations
- there is the potential for the Company to become subject to additional tax liabilities
- Mineral Resource and Mineral Reserve estimates are only estimates and may not reflect the actual deposits or the economic viability of gold extraction
- uncertainties and risks relating to feasibility studies
- Orezone has a history of losses and expects to incur losses until such time as the Bomboré Project achieves commercial production
- Orezone relies on its management team and the loss of one or more of these persons may adversely affect Orezone
- the Company's operations rely on the availability of local labour, local and outside contractors and equipment when required to carry out its exploration and development activities
- the Company's Bomboré Project is subject to title risks
- there are health risks associated with the mining workforce in Burkina Faso that may impact the availability of labour
- the Bomboré Project is subject to environmental risks which may affect operating activities or costs
- the Bomboré Project, if mining operations are established, will be subject to operational risks and hazards inherent in the mining industry
- the Bomboré Project is subject to risks associated with its location, lack of infrastructure and other resources, including its required water supply
- artisanal miners may impact operations at the Bomboré Project
- failure to continue to have strong local community relations may impact the Company
- evolving anti-corruption laws may result in fines or other legal sanctions
- the Company's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable
- the mining industry is extremely competitive
- currency fluctuations may affect Orezone's financial performance
- investors may have difficulty enforcing judgments in Canada, the United States and elsewhere
- shareholders' interest in Orezone may be diluted in the future
- Orezone's common shares are publicly traded on the TSXV and are subject to various factors that have historically made Orezone's share price volatile
- repatriation of funds may be difficult in the future

For a more detailed discussion of the above risk factors, refer to the Company's 2018 Annual Information Form dated April 17, 2019.

New, Amended and Future IFRS Pronouncements

(a) IFRS 9 *Financial Instruments*

On January 1, 2018, the Company adopted IFRS 9 *Financials Instruments*, which replaced IAS 39 *Financial Instruments: Recognition and Measurement*, on a retrospective basis using certain available transitional provisions. In accordance with the transitional provisions, the comparative information for prior periods have not been restated and the information presented for 2017 reflects the requirements of IAS 39 rather than IFRS 9.

IFRS 9 details new requirements for classifying and measuring financial assets. The new standard introduces changes to the guidance in IAS 39 on the classification and measurement of financial assets and introduces a single, forward-looking "expected credit loss" impairment model. IFRS 9 also provides new guidance on the application of hedge accounting. The standard became effective for annual periods beginning on or after January 1, 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities so the Company's accounting policy with respect to financial liabilities is substantially unchanged.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following tables shows the previous classification under IAS 39 and the new classification under IFRS 9:

Financial Instrument	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Loans and receivables – amortized cost	Amortized cost

Financial Instrument	IAS 39 Classification	IFRS 9 Classification
Trade and other receivables	Loans and receivables – amortized cost	Amortized cost
Deposits	Loans and receivables – amortized cost	Amortized cost
Marketable securities	Available for sale – FVTOCI	FVTPL
Accounts payable and accrued liabilities	Financial Liabilities – amortized cost	Amortized cost

The new standard had no impact on the carrying amounts of the Company's financial instruments as at the transition date.

However, under IAS 39, the Company classified its investment in the common shares and common share purchase warrants of Sarama as available-for-sale with any unrealized gains or losses recognized in other comprehensive income except for any impairment recognized which is reclassified into profit and loss. Under IFRS 9, the Company recognizes and classifies its Sarama equity investment as FVTPL. The Company did not invoke the election to present investment in equity instruments in other comprehensive income on adoption of the new standard. At December 31, 2017, management made an assessment that its investment in Sarama had experienced a significant and prolonged decline in fair value causing a full impairment charge of $738,490 to be transferred from accumulated other comprehensive loss to net loss for 2017. Therefore, the Company's adoption of IFRS 9 did not result in the reclassification of any amounts from accumulated other comprehensive income to deficit on January 1, 2018.

(b) IFRS 16 *Leases* ("IFRS 16")

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 *Leases* and related interpretations. The new standard eliminates the previous classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires lessee to recognize assets and liabilities for all leases unless the underlying asset has a low value or the lease term is twelve months or less. At the commencement date of a lease, a lessee will recognize a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset). Lessees will recognize interest expense on the lease liability and depreciation expense on the right-of-use asset.

The Company will adopt IFRS 16 for the fiscal year beginning January 1, 2019 using the modified retrospective approach. Under this approach, the Company will not restate prior year comparatives with any effect recorded in accumulated deficit as of the date of adoption. Since the Company will recognize the right-of-use assets at the amount equal to the lease liabilities less any lease accruals, it is expected there will not be an impact on accumulated deficit upon adoption. In addition, the Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms end within twelve months as of the date of adoption and lease contracts for which the underlying asset is of low-value.

Upon implementation of IFRS 16, the Company expects its main impacts to be as follows:

- Assets and liabilities will increase as some leases currently classified as operating leases will be recognized on the balance sheet.
- A reduction in administration expenses and increases in finance cost and depreciation expense as operating lease costs are replaced by depreciation on right-of-use assets and interest expense on lease liabilities.
- Cash flow from operating activities will increase with a corresponding decrease in cash flow from financing and investing activities.

The Company is currently finalizing the impact of this standard on its consolidated financial statements for the 2019 fiscal year but does not expect the adoption of the standard to have a significant impact on the financial statements.

Financial Instruments and Related Risks

The fair values of the Company's financial instruments consisting of cash, trade and other receivables, and accounts payable and accrued liabilities approximate their carrying values because of their short terms to maturity. The fair value of marketable securities is determined based on quoted market prices and the use of Black Scholes valuation model for the held warrants.

At December 31, 2018, the Company had 9,600,000 common shares of Sarama with a fair value of $316,656 (December 31, 2017 - $803,477) and 2,000,000 warrants with a fair value of $13 (December 31, 2017 - $93,598).

Critical Accounting Estimates and Judgments

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.

Significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

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 has determined that the current functional currency of all entities is the Canadian dollar except for its subsidiaries, Orezone Inc. SARL and Orezone Bomboré SA, which have a current functional currency of the CFA.

Exploration and evaluation expenditures within Mineral Properties, Plant and Equipment

The Company expenses exploration and evaluation expenditures during the exploration and evaluation phase. Once the technical feasibility and commercial viability of a mineral property has been established, the property is no longer in the exploration and evaluation phase and is now a mine property under development. Thereafter, costs incurred on mine development and construction are capitalized.

With the release of the positive 2018 feasibility study on Bomboré, the Company assessed whether the technical feasibility and commercial viability of Bomboré had been established. Management concluded that the commercial viability has not yet been achieved as project financing is not yet reasonably advanced to provide adequate assurance that Bomboré will be fully financed into commercial production.

Impairment of mineral properties, plant and equipment

Mineral properties, plant and equipment are reviewed for indicators of impairments at each reporting date upon the occurrence of events or changes in circumstances indicating the carrying value of these assets may not be fully recoverable. Factors that could trigger an impairment review include, but are not limited to, significant negative or economic trends including the price of gold, decrease in market capitalization, deferral of further exploration and evaluation expenditures, and decreases in reported mineral reserves or resources.

Deferred income taxes

Judgment is required in order to determine whether to recognize deferred tax assets and/or liabilities on the financial statements. 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 taxes

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

Share-based compensation related to stock options

Management assesses the fair value of stock options 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.

Additional Disclosure of Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's exploration and evaluation expenses, and general and administrative expenses is provided in the Company's Annual Financial Statements for the years ended December 31, 2018 and 2017 which are available on the Company's website at www.orezone.com or on SEDAR at www.sedar.com.

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 mineral reserve and resource estimates and the timing of updates thereof, planned expenditures on the Company's projects, obtaining renewed exploration permits, obtaining the mining convention, 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 results of exploration and drilling 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.

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 and sufficient financing, 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

The resource estimates in the MD&A were prepared in accordance with the standards of the CIM and disclosed in accordance with NI 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. Patrick Downey, P. Eng., the President and Chief Executive Officer, is also a 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.

The Company has prepared and filed a current technical report on the Bomboré Project titled "NI 43-101 Technical Report Feasibility Study of the Bomboré Gold Project Burkina Faso" with a date of August 23, 2018. This 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 Project, as well as information regarding data verification, and other matters relevant to the scientific and technical disclosure contained in this MD&A.

Technical and scientific information in this MD&A has been extracted from, and is supported by, the filed Technical Report.