

# Orezone Gold Corp. Announces Combined US\$182 Million Financing to Fully Fund Bomboré into Production

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## US\$96 Million in Senior Secured Debt, a US\$35 Million Convertible Note Facility, and US\$51 Million in Equity

VANCOUVER, Jan. 21, 2021 - [Orezone Gold Corp.](#) (TSX.V: ORE) (OTCQX: ORZCF) (the "Company" or "Orezone") is pleased to announce that the Company has secured binding commitments totalling in excess of US\$182 million to fully finance the construction of its shovel-ready Bomboré Gold Project ("Bomboré" or the "Project") located in Burkina Faso, West Africa ("Project Financing Package"). The Project remains on track for first gold pour by Q3-2022.

The Project Financing Package is comprised of the following key terms:

- US\$96 million senior secured debt facility with Coris Bank International ("Coris Bank") with interest rates of 8.0% and 9.0% ("Senior Debt Facility").
  - Coris Bank is one of the largest and fastest growing banks in West Africa.
- US\$35 million 8.5% convertible note with Resource Capital Fund VII L.P. ("RCF") and Beedie Investments Ltd. ("Beedie Capital") ("Convertible Note Facility").
  - RCF VII is part of Resource Capital Funds, a global mining private equity firm.
  - Beedie Capital is the private investment arm of Beedie, the largest private industrial owner, developer, and property manager in Western Canada.
- US\$51 million bought-deal equity offering of 61,950,000 common shares of the Company (the "Common Shares") at a price of C\$1.05 per Common Share (the "Equity Offering Price") for gross proceeds of C\$65,047,500 co-led by Canaccord Genuity Corp. ("Canaccord") and CIBC Capital Markets ("CIBC") (the "Equity Offering").
- No gold hedging, offtakes, or cost overrun reserve required by the debt facilities.
- Debt covenants allow for expansion flexibility of oxides and sulphides.
- The Project remains free of gold streams and private royalties, thereby preserving upside for shareholders.

Patrick Downey, President and CEO stated, "We are extremely pleased to announce this attractive financing package following a competitive selection process. We believe the financing package announced today is a testament to the strong project fundamentals offered by Bomboré.

We are delighted to welcome Coris as the senior lender to the Project and proud to have them as a partner. They are one of the largest West African banks and first became a shareholder in 2018. They have financed mining projects within West Africa and are very conversant with the technical and political landscape in the region.

We have worked very closely with RCF throughout this process and thank them for their continued support. We are also very pleased to welcome the Beedie Group as a new lender to the Company.

The debt package is structured to provide maximum flexibility for the Company to complete future expansions including the staged Phase II Sulphide Expansion. Bomboré hosts a very large M&I resource at shallow depths, has exciting exploration potential, and is open to further enhancement opportunities. We are now ready to ramp up construction activities at Bomboré with first gold pour scheduled for Q3-2022."

## PROCESS OVERVIEW

The Project Financing Package was the result of a competitive process conducted with the Company's financial advisor, Cutfield Freeman & Co Ltd. The Senior Debt Facility with Coris Bank together with the Convertible Note Facility with RCF and Beedie Capital were selected as they provided the best combination of operational flexibility and pricing for the Company.

## SENIOR DEBT FACILITY

The Company has received a credit-approved binding term sheet from Coris Bank International for a senior secured project-level debt facility that is divided into a Medium-term Loan and a Short-term Loan. The Medium-term Loan will fund construction costs while the Short-term Loan will fund the remaining capital spend and initial working capital at a lower interest rate.

Both loans are denominated in West African Communauté Financière Africaine francs ("XOF"), the official currency of Burkina Faso. The US dollar equivalents are shown using an exchange rate of 545 XOF per USD. As a portion of the project capital will be spent in XOF, the Senior Debt Facility in XOF will provide a natural currency hedge during construction.

Medium-term Loan of ~US\$64 million (XOF 35.0 billion)

- Term of 5 years.
- Interest rate of 9.0% per annum.
- Availability period to June 30, 2022 with multiple drawdowns permitted and first drawdown by December 31, 2021.
- Deferral of principal repayments for the first 24 months.
- Early repayment permitted with a sliding scale prepayment penalty ranging from 2% to 3%.

Short-term Loan of ~US\$32 million (XOF 17.5 billion)

- Term of 12 months from first drawdown.
- Interest rate of 8.0% per annum.
- Availability period to September 30, 2022 with two drawdowns permitted.
- First drawdown is to commence after full drawdown of Medium-term Loan.
- First principal repayment by January 31, 2023.

The Senior Debt Facility has no requirement for hedging, cost overrun reserve, or cash sweeps. A fee of 0.75% is payable should the Company exercise early termination of the Senior Debt Facility before first drawdown.

Conditions precedent to loan drawdowns include execution and delivery of the final Senior Debt Facility documentation, local registration of project-level security, and other customary conditions.

Idrissa Nassa, President of Coris Bank International, who was appointed best CEO of the year 2020 by the Financial Afrik Magazine, stated "We are pleased to be working with Orezone in the development of the Bomboré Gold Mine. Our team has visited the project and was impressed with the community relocations and other early works that the project has undertaken. We look forward to completing the funding of Bomboré and seeing the mine placed into production. Our financing of Bomboré demonstrates the stated aim of Coris Bank to be a leading bank in support of the economic growth in each of our country markets. Moreover, this lending continues to showcase the experience of Coris Bank in mine financing and follows several other successful financings by Coris Bank of mining companies located in West Africa, including Burkina Faso."

## CONVERTIBLE NOTE FACILITY

The Company has signed binding letter agreements for a Convertible Note Facility issuance in the aggregate amount of US\$35 million.

Key terms include:

- Term of 5 years.
- Interest rate of 8.5% per annum.
- Interest is payable up to 75% in common shares at the option of the Company.
- Availability period to September 30, 2021 in a single drawdown following the satisfaction of all conditions precedent.
- Convertible at the option of the lenders at any time at the conversion price of US\$1.08, representing a 30% premium to the Equity Offering Price ("Conversion Price").
- Forced conversion at the Company's election at the Conversion Price for up to 50% of the outstanding principal when both of the following conditions are met simultaneously:
  - Commercial production has been achieved; and
  - If over 20 consecutive trading days, the VWAP of the Company's common shares exceeds a 50% premium to the Conversion Price.
- Non-callable with any outstanding principal due at maturity.
- No upfront fees.

Conditions precedent to drawdown include project expenditures of US\$50 million to be funded by new equity, execution and delivery of the final Convertible Note Facility documentation, and other conditions customary for a facility of this nature.

The Convertible Note Facility to be issued to RCF is a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the "related party transactions". The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements set out in MI 61-101 as the fair market value of the Convertible Note Facility does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

Pursuant to the policies of the TSXV, the Company is required to seek shareholder approval for the Convertible Note Facility to be issued to RCF as the conversion of such note into common shares of the Company could result in the creation of a new "Control Person", as such term is defined in the policies of the TSXV. Shareholder approval will be sought at the Company's annual general and special meeting which is anticipated to be held in May 2021.

## EQUITY OFFERING

The Company has entered into an agreement with Canaccord and CIBC to act as co-lead underwriters, on behalf of a syndicate of underwriters (collectively the "Underwriters"), pursuant to which the Underwriters will purchase, on a bought deal basis, an aggregate of 61,950,000 Common Shares of the Company at a price of C\$1.05 per share for aggregate gross proceeds of C\$65,047,500 (~US\$51 million).

?The Offering Price of C\$1.05 per share represents:

- 7.1% discount to the closing price of C\$1.13 per share on January 20, 2021; and
- 8.2% discount to the 10-day VWAP of C\$1.14 per share to January 20, 2021.

The Company has granted the Underwriters an over-allotment option to purchase up to an additional 9,292,500 common shares at the Offering Price exercisable in whole or in part, at any time and from time to time, up to 30 days from and including the closing date of the Equity Offering (the "Underwriters' Option"). If the Underwriters' Option is exercised in full, an additional C\$9,757,125 in gross proceeds will be raised pursuant to the Equity Offering and the aggregate gross proceeds will be C\$74,804,625.

The Company intends to use the net proceeds from the Equity Offering to advance Bomboré towards production, as well as for working capital and general corporate purposes. ?

The Common Shares will be offered by way of a supplement to the short form base shelf prospectus of the Company dated November 3, 2020 in each of the provinces of Canada, except Quebec, as agreed to by the

## Company and the Underwriters.

Closing of the Equity Offering is expected to occur on or about January 28, 2021 and is subject to certain conditions including, but not limited to, receipt of all necessary regulatory approvals, including the approval of the TSXV and applicable securities regulatory authorities.

## Investor Webinar

Wednesday, January 27<sup>th</sup>, 2021 Time: 7:00 am PST/10:00 am EST

Orezone will host an investor webinar on Wednesday, January 27<sup>th</sup> at 7:00 am PST/10:00 am EST to discuss the project financing package and next steps in Bomboré's development. To register for the webinar, please click [here](#).

## About Coris Bank

Coris Bank International ("CBI SA"), the subsidiary of the West African Financial Group Coris Holding, is a Burkinabe private universal bank with a balance sheet in excess of US\$2.8 billion and is listed on the Regional Stock Exchange of Securities (BRVM) of UEMOA. It has been the leader of the Burkinabe market since 2016.

Maintaining and consolidating its quality standards throughout its network coupled with its continued growth have enabled CBI SA to obtain numerous national and international distinctions. In 2020, CBI SA received the awards for the "Best Retail Bank in West Africa" by the prestigious African Banker Awards and for the "Fastest Growing Bank Partner" by the International Finance Corporation, a subsidiary of the World Bank Group.

The expertise of CBI SA served as a reference for the development of the Coris Group internationally through its establishment in seven (7) other countries in Africa: Benin, Côte d'Ivoire, Guinea Conakry, Mali, Niger, Senegal and Togo. Further information on CBI SA can be found on its website (<https://burkina.coris.bank/>).

## About RCF

RCF is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 198 mining companies, with projects located in 51 countries and across 32 commodities. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so, strives to earn superior returns for all shareholders. Further information about RCF can be found on its website ([www.resourcecapitalfunds.com](http://www.resourcecapitalfunds.com)).

## About Beedie Capital

Beedie Capital is the private investment arm of Beedie, the largest private industrial owner, developer, and property manager in Western Canada. Beedie Capital partners with ambitious operators of high-growth public and private companies across a variety of industry sectors in North America, including a core focus on metals and mining. Further information on Beedie Capital can be found on its website ([www.beedie.ca/capital](http://www.beedie.ca/capital)).

## About Orezone Gold Corporation

[Orezone Gold Corp.](#) (TSX.V: ORE OTCQX: ORZCF) is a Canadian development company which owns a 90% interest in Bomboré, one of the largest undeveloped gold deposits in Burkina Faso.

The 2019 feasibility study highlights Bomboré as an attractive shovel-ready gold project with forecasted annual gold production of 118,000 ounces over a 13+ year mine life at an All-In Sustaining Cost of US\$730/ounce with an after-tax payback period of 2.5 years at an assumed gold price of US\$1,300/ounce. Current Bomboré mineral resources are in excess of 5 million ounces of gold.

#### Qualified Person

Dr. Pascal Marquis, Geo., Senior VP Exploration is the Qualified Person who has approved the scientific and technical information in this news release.

For further information please contact Orezone at +1 (778) 945-8977 or visit the Company's website at [www.orezone.com](http://www.orezone.com).

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This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the United States. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to the account or benefit of a U.S. person absent an exemption from the registration requirements of such Act.

#### Cautionary Note Regarding Forward-Looking Statements

This press release contains certain information that may constitute "forward-looking information" within the meaning of applicable Canadian Securities laws and "forward-looking statements" within the meaning of applicable U.S. securities laws (together, "forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "possible" and other similar words, or statements that certain events or conditions "may", "will", "could", or "should" occur. Forward-looking statements in this press release include, but are not limited to, statements with respect to the Bomboré project being fully funded to production, projected first gold by Q3-2022, the Senior Debt Facility, the Convertible Note Facility and the Equity Offering, including the anticipated closing date and use of proceeds of the Senior Debt Facility, the Convertible Note Facility and the Equity Offering.

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 and the qualified persons believe are appropriate in the circumstances.

All forward-looking statements 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, delays caused by the COVID-19 pandemic, terrorist or other violent attacks, the failure of parties to contracts to honour contractual commitments, 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 possibility of project cost overruns or unanticipated costs and expenses, accidents and equipment breakdowns, political risk, unanticipated changes in key management personnel and general economic, market or business conditions, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and uncertainties relating to the availability and costs of financing needed in the future, and other factors described in the Company's most recent annual information form and management discussion and analysis filed on SEDAR on [www.sedar.com](http://www.sedar.com). Readers are cautioned not to place undue reliance on forward-looking statements.

Although the forward-looking statements contained in this press release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement.

Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this press release.

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