

# Orezone Reports Fourth Quarter and Full Year 2022 Results

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VANCOUVER, March 23, 2023 - [Orezone Gold Corp.](#) (TSX: ORE, OTCQX: ORZCF) ("Orezone" or "Company") today reported its financial and operating results for the fourth quarter and full year 2022.

*(All dollar amounts in USD unless otherwise indicated. "M" denotes million.)*

## Fourth Quarter and Full Year 2022 Highlights

- Gold production of 22,258 ounces in Q4-2022 and 27,831 ounces for 2022.
- Gold sales of 24,676 ounces for both Q4-2022 and 2022, at an All-In Sustaining Costs ("AISC")<sup>1</sup> per gold ounce sold of \$1,075 and revenue of \$43.4M.
- Net income attributable to shareholders of Orezone of \$3.8M for Q4-2022 and \$0.9M for 2022.
- Cashflow from operations of \$28.5M for Q4-2022 and \$6.0M for 2022.
- Cash balance of \$9.2M at December 31, 2022, an increase of \$1.8M from September 30, 2022.
- Achievement of 2022 guidance including:
  - Pouring of first gold on September 10, 2022.
  - Declaration of commercial production at Bomboré on December 1, 2022.
  - Delivery of the Bomboré project construction (excluding the third-party managed power plant) on schedule and under budget. Final project construction costs including pre-production mining but excluding power plant totalled \$168.9M, below the project approved budget of \$173.8M.
  - Orderly transition from construction and commissioning to operations as the Company benefitted from operational readiness activities undertaken prior to first gold.
  - Completion of its Phase III exploration drill campaign with the purpose of extending Bomboré sulphide expansion potential by converting sulphide resources from Inferred to the Measured and Indicated categories. The Phase III campaign successfully returned numerous wide, high-grade intercepts in mineralized zones within Maga, Siga, P8P9, and the P17 trend. The Company will incorporate these new and encouraging drill results into a revised mineral resource and mineral reserve estimate that is being prepared as part of the planned 2023 feasibility study update for the Phase II Sulphide Expansion.

Patrick Downey, President and CEO, stated, "2022 was a milestone year culminating in the declaration of commercial production before year-end. In a span of under two years, we have succeeded in meeting the challenges of financing and building a greenfield mining project to deliver a profitable mine on time and under budget. The Bomboré process plant is now operating above expectations after initial difficulties with reliable power were resolved. Bomboré continues to generate strong operating cashflows that we are directing towards working capital, debt repayments, and growth projects including installation of grid power which will significantly reduce processing costs once installed.

We see 2023 as another exciting year as we work on the release of an updated feasibility study for our Phase II Sulphide Expansion. The study will incorporate over 100,000 metres of drill results including those from the Phase III drill program completed in 2022. A larger Phase II Sulphide Expansion than that contemplated in the current 2019 study is now envisioned and we look forward to sharing the details of this new study later this year."

## Financial and Operating Highlights

(All mine site figures are on a 100% basis)

		Q4-2022 FY2022	
Operating Performance			
Gold production	oz	22,258	27,831
Gold sales	oz	24,676	24,676

Average realized gold price	\$/oz	1,760	1,760
All-in sustaining costs <sup>1</sup> ("AISC") per gold ounce sold	\$/oz	1,075	1,075
Financial Performance			
Revenue	\$000s	43,431	43,431
Earnings from mine operations	\$000s	16,660	16,660
Net income attributable to shareholders of Orezone	\$000s	3,763	930
Net income per common share attributable to shareholders of Orezone:			
Basic	\$	0.01	0.00
Diluted	\$	0.01	0.00
Operating cashflow before changes in working capital	\$000s	15,400	6,023
Operating cashflow	\$000s	23,235	6,582
Cash and cash equivalents	\$000s	9,158	9,158

<sup>1</sup> AISC is a non-IFRS measure. See "Non-IFRS Measures" section below for additional details.

#### Bomboré Gold Mine, Burkina Faso (100% Basis)

		Q4-2022 <sup>2</sup>	FY2022 <sup>2</sup>
Safety			
Lost-time injuries frequency rate (LTIFR)	per 1M hours	0.00	0.00
Personnel-hours worked	000s hours	958	4,276
Mining Physicals			
Ore tonnes mined	tonnes	1,526,949	4,818,474
Waste tonnes mined	tonnes	3,087,950	8,695,210
Total tonnes mined	tonnes	4,614,899	13,513,684
Strip ratio	waste:ore	2.0	1.8
Processing Physicals			
Ore tonnes milled	tonnes	806,875	1,019,465
Head grade milled	Au g/t	0.93	0.92
Recovery rate	%	91.9	91.9
Gold produced	oz	22,258	27,830
Unit Cash Cost <sup>1</sup>			
Mining cost per tonne	\$/tonne	2.57	2.54
Mining cost per ore tonne processed	\$/tonne	6.58	6.53
Processing cost	\$/tonne	12.47	11.86
Site general and admin cost	\$/tonne	4.87	5.32
Cash cost per ore tonne processed	\$/tonne	23.92	23.71
Cash Cost Details			
Mining cost (net of stockpile movements)	\$000s	5,306	6,653
Processing cost	\$000s	10,062	12,091
Site general and admin cost	\$000s	3,928	5,425
Refining and transport cost	\$000s	92	92
Government royalty cost	\$000s	2,608	2,608
Gold inventory movements	\$000s	2,010	(2,863)
Total mine-level cash cost on a sales basis	\$000s	24,006	24,006
Sustaining capital	\$000s	1,550	1,550
Corporate general and admin cost	\$000s	955	955
All-In Sustaining Costs <sup>3</sup> on a sales basis	\$000s	26,515	26,515
Gold sold	oz	24,676	24,676
All-In Sustaining Costs per gold ounce sold <sup>3</sup>	\$/oz	1,075	1,075

<sup>1</sup> The Bomboré Mine entered into commercial production on December 1, 2022. Unit cash costs during pre-commercial production are not representative of cost performance expected under steady-state

operations. Cost figures presented for Q4-2022 and FY2022 include a blend of costs before and during commercial production.

<sup>2</sup> The Bombore Mine did not process any significant quantity of ore for the month of October 2022 due to insufficient power as the power plant underwent repairs. As a result, departmental costs for processing and site general & admin have been excluded from the cash cost and AISC figures presented for Q4-2022 and FY2022. These costs have been capitalized as commissioning costs.

<sup>3</sup> Non-IFRS measure. See "Non-IFRS Measures" section for additional details.

Commissioning of the process plant with ore commenced in late August 2022, resulting in the pouring of first gold on September 10, 2022. Ore commissioning was delayed by approximately four weeks as the third-party managed power plant encountered numerous commissioning difficulties and was unable to provide sufficient power for mill operations. During September 2022, the process plant did commence operations but the on-site gensets fell significantly short of their rated power output, restricting mill throughput to a reduced level. In late September 2022, one of the two working permanent gensets experienced a major failure. As a consequence, mill operations were stopped in October 2022 and recommenced in November 2022 with the use of temporary rental gensets. With full and reliable power, the process plant quickly ramped-up daily mill tonnages leading to the achievement of commercial production on December 1, 2022.

The process plant continued with its improved performance in December 2022 with mill throughput exceeding nameplate design by 4% and process recoveries reaching design levels. Strong operations at the Bomboré process plant have carried on into 2023 with mill throughput at 12% above nameplate for the first two months of 2023.

## 2023 Outlook

The Company expects to continue the strong operating performance at the Bomboré mine into 2023, building upon the solid monthly production results attained in December 2022. The Company intends to utilize operating cashflow generated by Bomboré to reduce its senior loans with Coris Bank and to fund growth initiatives that will improve the future cost structure and mine life of the Bomboré operation.

Bomboré Operating Guidance (100% basis)	Unit	Original Guidance FY2023
Gold production	Au oz	140,000 - 156,000
All-In Sustaining Costs <sup>1</sup>	\$/oz Au sold	\$975 - \$1,075
Sustaining capital	\$M	\$16 - \$16
Growth capital	\$M	\$33 - \$38
Exploration and evaluation	\$M	\$4.4

1. AISC is a non-IFRS measure. See "Non-IFRS Measures" section below for additional information.
2. Foreign exchange rates used to forecast cost metrics include XOF/USD of 625 and CAD/USD of 1.30.
3. Government royalties included in AISC assumes an average gold price of \$1,700 per oz.

*Revision to Original 2023 Guidance (refer to Company's press release of January 18, 2023)*

Sustaining capital has been revised upwards by \$5M to \$15M - \$16M from the Company's original guidance of \$10M - \$11M. The Company has decided to redirect nearby waste generated during the 2023 mine plan to continue with the stage 3 lift of the tailing storage facility ("TSF"). The previous guidance contemplated the commencement of this stage 3 lift in 2024 using waste with a longer-haul profile and additional re-handle. The acceleration of this construction activity will ensure sufficient available tailings storage ahead of the sulphide expansion and will result in lower overall costs for the TSF expansion as it eliminates waste re-handle costs. Once completed, the stage 3 lift is expected to provide TSF storage capacity to capture tailings from production to mid-2025.

Correspondingly, 2023 guidance for AISC per gold ounce sold has also been revised upwards by \$35/ounce

to \$1,010/ounce - \$1,110/ounce.

### *2023 Guidance Details*

Gold production is expected to be more weighted towards H1-2023 from better in-pit ore grades due to mine sequencing and from the reclaim of higher-grade stockpiles as supplemental mill feed. Plant throughput is forecasted to range between 5.6M to 5.8M tonnes with plant recoveries approximating 91%.

AISC per gold ounce sold is expected to be lower in the H1-2023 in step with the higher planned gold production for this period. Overall, AISC in 2023 will be impacted by the high cost of diesel-generated power from on-site rental gensets until the Company's connection to the national grid is energized.

Sustaining capital will range between \$15M - \$16M with \$9M dedicated towards the TSF lifts (stages 2 and 3). Other areas of sustaining capital include mine and mine infrastructure, processing, security, camp, information technology and safety. Capital covering camp and infrastructure improvements are considered one-time projects not contemplated during the main construction such as site-wide sewage treatment system, potable water treatment plant, and recreational facilities.

Growth capital consists of two main projects:

(i) Power connection to Burkina Faso's national grid (\$15M - \$18M)

The Company plans to bring low-cost grid power supplied by SONABEL, Burkina Faso's stated-owned electricity company, to Bomboré before the end of 2023 to replace the high-cost, on-site diesel power generation. The Company has budgeted for the installation of a 23-km 132 kV transmission line, mine substation, and switching station needed to connect Bomboré to Burkina Faso's national grid. Energization of the powerline is scheduled for Q4-2023.

(ii) Resettlement Action Plan ("RAP") - Phases II and III (\$18M - \$20M for 2023)

RAP Phases II and III will see the construction of over 2,200 private and public structures in four new resettlement villages to help relocate communities occupying areas in the southern half of the Bomboré mining permit. During 2023, RAP costs are estimated to be \$18M - \$20M. The RAP is scheduled for completion in 2024 but will be significantly advanced in 2023.

Exploration and evaluation spending includes \$2.5M for the preparation of an updated Phase II Sulphide Expansion feasibility study and \$1.9M for the continuation of a reverse circulation ("RC") drill program to target mineralization outside of known resources and for advanced grade control. This drill program covers over 21,000 metres of RC drilling.

### *Non-IFRS Measures*

The Company has included certain terms or performance measures commonly used in the mining industry that is not defined under IFRS, including "all-in sustaining costs". Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. The Company uses such measures to provide additional information and they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### *All-In Sustaining Costs ("AISC") and AISC per gold ounce sold*

The measure is intended to reflect the expenditures required to produce and sell an ounce of gold from current operations. AISC include mine site operating costs (mining, processing, administration, royalties, and selling charges), sustaining capital, sustaining exploration, and corporate general and administration costs.

Excluded from the Company's AISC definition are depreciation and depletion, accretion and amortization of reclamation costs, growth capital, growth exploration, financing costs, and share-based compensation. AISC per gold ounce sold is determined by dividing AISC by the number of gold ounces sold.

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

(\$000s except for ounces sold and per ounce sold figures)	Q4-2022 <sup>1</sup>	FY2022 <sup>1</sup>
Operating expenses from mine operations	21,398	21,398
Royalties	2,607	2,607
Sustaining capital	1,550	1,550
Sustaining exploration	-	-
Corporate general and admin	959	959
All-In Sustaining Cost on a sales basis	26,514	26,514
Gold ounces sold	24,676	24,676
All-In Sustaining Costs per gold ounce sold	1,075	1,075

<sup>1</sup> Sales of September 2022 gold production were made in October 2022 and therefore, all 2022 gold production were sold in Q4-2022.

#### *Sustaining and Growth Capital*

(\$000s)	Q4-2022	FY2022
Additions to mineral properties, plant and equipment	11,385	132,440
Growth capital (including capitalized borrowing costs)	9,835	130,890
Sustaining capital	1,550	1,550

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

For 2022, predominantly all capital expenditures are considered non-sustaining as they relate to the construction, pre-production mining, and commissioning of the Bomboré mine. Sustaining capital primarily relates to the stage 2 lift of the TSF expansion.

#### *Sustaining Exploration Expense*

(\$000s)	Q4-2022	FY2022
Exploration and evaluation costs	3,065	7,932
Non-sustaining exploration and evaluation costs	3,065	7,932
Sustaining exploration expense	nil	nil

For 2022, exploration and evaluation costs were dedicated to exploratory drill programs to add new Inferred resources and to upgrade existing Inferred mineral resources into Measured and Indicated, and to study costs towards an updated Phase II Sulphide Expansion feasibility study to be released in 2023.

#### Conference Call and Webcast

Orezone will host a conference call and audio webcast to discuss the financial and operating results for Q4-2022 and 2022 year on Friday, March 24, 2023 at 8:00am PDT (11:00am EDT).

#### Webcast

Date: Friday, March 24, 2023

Time: 8:00 am Pacific Time (11:00 am Eastern time)

Please register for the webcast here: [Orezone FY-2022 Conference Call and Webcast](#)

#### Conference Call

Toll-free in U.S. and Canada: 1-800-715-9871

International callers: +646-307-1963

Event ID: 7747831

#### Financial Statements

Orezone's audited financial statements and management's discussion and analysis for the year ended December 31, 2022 are available on the Company's website at [www.orezone.com](http://www.orezone.com) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Qualified Persons

The scientific and technical information in this news release was reviewed and approved by Dr. Pascal Marquis, Geo., Senior Vice President of Exploration, Mr. Rob Henderson, P. Eng, Vice President of Technical Services, and Mr. Patrick Downey, P.Eng. President and CEO, all of whom are Qualified Persons as defined under NI 43-101 *Standards of Disclosure for Mineral Projects*.

#### About Orezone Gold Corporation

[Orezone Gold Corp.](#) (TSX: ORE OTCQX: ORZCF) is a Canadian mining company operating the open pit Bomboré Gold Mine in Burkina Faso.

Orezone is focusing on mining and processing the Phase I near surface free-dig oxides at a planned annual throughput of 5.2 million tonnes. The Company believes that Bomboré has a significant underlying sulphide resource to support a substantially larger Phase II expansion. The Company has recently completed a resource definition drill program, and plans to issue an updated mineral resource, reserve and life of mine plan, as part of this Phase II expansion. It is expected that the pending study will be completed in Q3-2023 to be followed by a production decision.

Orezone is led by an experienced team focused on social responsibility and sustainability with a proven track record in project construction and operations, financings, capital markets and M&A.

The technical report for the 2019 Feasibility Study on the Bomboré Project entitled NI 43-101 Technical Report (Amended) Feasibility Study of the Bomboré Gold Project is available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

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*The Toronto Stock Exchange neither approves nor disapproves the information contained in this news*

*release.*

### Cautionary Note Regarding Forward-Looking Statements

This press release contains certain information that constitutes "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 Company's 2023 outlook (including all statements with respect to Bomboré operating guidance), power connection to Burkina Faso's national grid, RAP Phases II and III, and the updated feasibility study for the Phase II Sulphide Expansion.

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, 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; 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, the spread of diseases, epidemics and pandemics diseases, 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's 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.

Forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time (including those assumptions and factors noted under the heading 2023 Guidance Details in this press release). These assumptions and factors include, but are not limited to, assumptions and factors related to the Company's ability to carry on current and future operations, including: development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs, including gold; foreign exchange rates; taxation levels; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

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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<sup>1</sup> AISC is a non-IFRS measure. See "Non-IFRS Measures" section of this news release for additional details.

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