



## **Bomboré Gold Project**

Precious Metals Summit, 2019

**ORE:TSX.V** 

### **Forward Looking Statements**



This presentation contains certain "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information and forward-looking statements (together, "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.

All of the results of the Bomboré Gold Project 2019 FS are forward-looking statements. These include statements regarding, among others, completion of the Phase I RAP in Q4-2019; approval of the updated ESIA by early 2020; first gold pour in June 2021; oxide commercial production starting in Q4-2021; sulphide feed commencing in Q1-2024; and applicable construction timelines. In addition, forward-looking statements include statements with respect to: pre-tax NPV5% of \$513.5M and IRR of 61.9% of with a 1.5 year payback (IRR and NPV calculated from start of commercial production); after-tax NPV5% of \$361.0M and IRR of 43.8% with a 2.5 year payback; mine life of 13+ years with LOM gold production of 1.6M ounces and average annual production of 133.8k ounces in the first 10 years; initial project construction costs estimate at \$153.0M; LOM expansion capital costs of \$63.2M; LOM sustaining capital costs of \$66.2M; and LOM cash costs of \$681/oz with cash costs of \$629/oz in the first 10 years; and LOM AISC of \$730/oz with AISC of \$7672/oz in the first 10 years (AISC excludes Corporate G&A). Furthermore, statements regarding mine plan and production; mineral processing; project infrastructure; project economics; initial project capital costs; development and timeline timetables; and project opportunities are forward-looking statements.

All such forward-looking statements are based on certain assumptions and analyses made by management and qualified persons 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. The forward-looking statements are also based on metal price assumptions, exchange rate assumptions, cash flow forecasts, and other assumptions used in the 2019 FS. Readers are cautioned that actual results may vary from those presented.

In addition, 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, use of assumptions that may not prove to be correct, 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 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. Readers are cautioned not to place undue reliance on forward-looking statements.

This presentation also contains references to estimates of Mineral Resources and Mineral Reserves. 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 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 licenses.

Although the forward-looking statements contained in this presentation 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 presentation 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 presentation.

Orezone has filed an independent National Instrument 43-101 technical report entitled "Feasibility Study of the Bomboré Gold Project, Burkina Faso". A copy of the technical report is available on SEDAR (<u>www.sedar.com</u>), the Company's website (<u>www.orezone.com</u>) and the results were summarized in Orezone's June 26, 2019 News Release.

Pascal Marquis, Geo., Senior Vice President of Exploration and Patrick Downey, P.Eng, President & Chief Executive Officer are the Company's qualified person under NI 43-101, who have reviewed and verified the technical information in this presentation.

### **Orezone: A Refocused Story**



Since 2017, Orezone's new management has delivered on all its objectives

**Changed the Development Strategy to a Staged Approach** 

Focused on Project Scale Orezone can Finance and Build

**Delivered a Robust Oxide only Feasibility Study** 

**RCF** joined as a Supportive Shareholder

**Delivered an Updated Feasibility Study with Sulphide Expansion** 

**Continue to Review Enhancement and Expansion Opportunities** 

**Commenced Project Development for 2021 Start-Up** 

## Combined, the Orezone Management Team Has Been Responsible for:



**CONSTRUCTION AND DEVELOPMENT OF 13 MINES** 



20 M&A TRANSACTIONS



**10 DEBT AND PROJECT FINANCING FACILITIES** 



RAISED OVER \$2B IN EQUITY



**OPERATION OF 10 MINES** 

## **Investment Highlights**



#### Located in a leading gold development region with established infrastructure

- Burkina Faso government is supportive of mining with 13 gold mines in production in last 10 years and 1 project currently in construction
- Permitted, advanced development project with robust economics
  - High margin, near-term production with first gold pour expected in H2 2021
- Staged development focused on scale that Orezone can finance and build
  - Responsible development strategy with significant enhancement and expansion potential
- Strong management team with extensive experience in mine development and operations in West Africa
- Committed to communities and strong corporate stewardship
- Supportive shareholders

## **Capital Structure & Research Coverage**



#### Capital Structure (as at June 30, 2019)

Shares Issued	213,326,906
Options	16,026,838
Shares Fully Diluted	229,353,744
Cash (as at June 30, 2019)(no debt)	~USD\$22.7 M
Market Cap (as at Aug. 27, 2019)	~C\$179 M

1. Approximate figures are as at June 30, 2019. Market Cap is based on the number of shares outstanding x the closing price of the Company's shares on the TSX-V on Aug 27, 2019.



# Insiders continue to buy ORE shares in the market

#### Analyst average 12-month target price C\$1.36

#### Equity Research Coverage

Brokerage	Analyst	Phone				
Canaccord	Eric Zaunscherb	416-869-7299				
Clarus Securities	Nana Sangmuah	416-363-3350				
Cormark Securities	Tyron Breytenbach	416-943-6747				
Paradigm Capital	Don Blyth	416-360-3461				
PI Financial	Chris Thompson	604-718-7549				
Raymond James	Tara Hassan	604-659-8064				

## **Burkina Faso: An Emerging Gold District**



#### Supportive mining jurisdiction

- 13 gold mines in production
- 1 gold mine in construction

#### ~10Moz gold within 15km of Bomboré\*

- West African Resources: Sanbrado
- B2 Gold: Toega
- New high-grade gold discoveries in this emerging district

#### Pool of skilled and trained workers increasing yearly



### West Africa Gold Production 2010 vs 2019



#### Production Growth Since 2010 By Region



#### 2010 and 2018 Ounces by Region



Source: World Gold Council. West Africa includes: Ghana, Mali, Burkina Faso, Ivory Coast, Guinea, Senegal and Nigeria https://www.gold.org/goldhub/data/historical-mine-production

## **Bomboré Location & Local Infrastructure**

- Located 85 km (90 min) from the capital city along a major paved highway in a secure location within proximity to a military training facility
- 5 km from town of Mogtédo with a population of 15,000; easy access to skilled local workforce, housing and logistics
- Excellent infrastructure with majority of support facilities in place: camp, offices and warehouse facilities











### Sulphide Expansion: 2019 Feasibility Study Focus

- Identified P17S high-grade sulphide zone
- Several additional high-grade sulphide zones contained within main ore body
- Staged Sulphide Expansion with production commencing in Year 3 of oxide operations
  - High-grade sulphides will displace oxide mill feed
- Sulphide expansion funded from oxide cashflows
- Significantly improves the overall gold production profile and project economics





## **2019 Feasibility Study Highlights**



#### After-tax NPV<sub>5%</sub> of \$361.0M<sup>(1)</sup>, IRR of 43.8%

- 2.5-year payback
- Mine life of 13+ years with:
  - LOM gold production of 1.6M ounces
  - Average annual production of 133.8k oz in the first 10 years
- Initial oxide construction cost: \$153.0M
- Sulphide expansion capital cost: \$63.2M
  - in year 2 of oxide production
- AISC<sup>(2)</sup> of \$672/oz for the first 10 years
- First gold pour targeted for mid 2021

All figures in USD unless otherwise stated. USD\$1,300/oz gold price used. All numbers are on a 100% project basis.

- 1. Discounted to the planned start of commercial production of October 1, 2021
- 2. AISC excludes Corporate G&A
- 3. Represents total project cash flows net of government royalties and taxes. The Government of Burkina Faso benefits from a 10% free-carried interest, sales royalties (4% NSR between \$1,000 and \$1,300 Au), Local Development Mining Fund tax (1% NSR), corporate income tax (27.5% tax rate), fuel taxes, VAT and withholding taxes on services.
- Exchange rate assumptions: XOF:USD = 550; USD:EURO = 1.19; XOF:EURO = 655.957; Fuel price delivered to site: Diesel = \$1.05/litre; Heavy-Fuel Oil = \$0.62/litre.

Description	2019 FS					
Base Case Gold Price (US\$/oz)	1,300					
Mine Life (years)	13.3					
Total Waste Tonnes Mined (Mt)	164.4					
Total Ore Tonnes Mined (Mt)	70.1					
Strip Ratio	2.34					
Production						
Processing Annual Throughput (Mt)	5.2					
Total Gold Ounces Recovered (ounces)	1,599,569					
Average Annual Gold Production (ounces)	117,760					
Operating Costs						
Unit Operating Costs (\$ per tonne processed)	15.53					
Cash Costs (\$/ounce)	681					
AISC (\$/ounce)	730					
Capital Costs						
Initial Construction Costs (\$M)	153.0					
Expansion Capital Costs (\$M)	63.2					
Sustaining Capital Costs (\$M)	66.2					
Closure Costs (\$M)	17.9					
Financials <sup>3,4</sup>						
Pre-tax NPV <sub>(5%)</sub> (millions)	513.5					
Pre-tax IRR	61.9%					
Post-tax NPV <sub>(5%)</sub> (millions)	361.0					
Post-tax IRR	43.8%					

### **3D Combined Processing Plant**





### Mill Feed Schedule



The sulphide expansion displaces diminishing oxide grades with higher-grade sulphides, significantly improving the overall mill feed grade



Annual Mill Feed and Gold Grade by Ore Type

### **2019 FS - Gold Production and AISC**





Au production in oz AISC/oz

### 2019 FS - After-Tax Free Cash Flow

#### After-tax Free Cash Flow remains positive during the construction of Phase II Expansion



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## **Project Designed for Expandability**



As a result of the significant exploration potential on the property, the Bomboré project was designed with a focus on scalability

Staged Design Scaled for Orezone Construction	<b>Exploration Potential</b>	Project Expandability Remains a Design Criteria Focus
		Independent oxide and sulphide circuits
2018 - Oxide only Design	2017-2018 Drill Results	Major equipment selected for expansion
2019 - Sulphide Expansion	Regional Exploration	Leach circuit design allows additional tanks
		ADR plant excess capacity

### **Enhancement Opportunities**



#### 1 - Continue to enhance existing production profile

2 - Extend mine life



### Evolving Geological Interpretation – High Grade Hits 🔬



- **\*** Historical drilling had identified several high-grade intercepts
  - Generally in the hanging wall zone, which is more complex than the continuous footwall shear
- Higher-grade intercepts did not connect when modelled using the steeply dipping main shear footwall interpretation
  - Had minimal influence on the grade in the resource or pit shells
- The discovery of the high-grade P17S zone, prompted a reassessment of the continuity of these higher-grade hits
  - Higher-grade plunging folds at 22 degrees vs 55 degree dip
  - A drill programme was planned and completed on several targets in 2017 and 2018 and confirmed this new interpretation
  - Resource modelling incorporating this new interpretation is well advanced

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### **Evolving Geological Interpretation – Hanging wall**





- New geological interpretation of the hanging wall zone could improve continuity of high grade mineralization
- Current resource high grade wireframes are capped at 5g/t and have a minimum width of 5m

#### The footwall zone is well-defined and understood

- +13 km shear-zone
- Over 85% of Bomboré's resources are within the footwall zone
- Interpretation in this area remains unchanged

### **Evolving Geological Interpretation - P17S**



#### A high-grade plunging W shaped fold was identified at P17S in 2017





### Evolving Geological Interpretation - Artisanal Miners M OREZONE



Artisanal miners identified high-grade folds at surface indicating the potential for multiple 1 high-grade plunging folds similar to P17S in other areas within the existing pits



### **Evolving Geological Interpretation – Drill Results**



#### 2017-2018 drilling confirmed high-grade plunging folds within existing mineralization



True width for P17S is approximately 80% of the drill length. True width for Siga has yet to be determined. True width for P11 is approximately 85% of the drill length. True width for Maga Hill is approximately 95% of the drill length.

### **Potential Impact of New Interpretation**



- Interpretation of main large shear zone in the footwall remains unchanged
- The addition of continuous higher-grade in the hanging wall
- Higher feed grade with no incremental mining or processing costs
- No impact on mining selectivity or grade control
- Excellent potential for high-grade zones to extend into the sulphides, resulting in deeper pits and improved sulphide grade

## 2018 Regional Oxide Exploration Results



Historical result: 2018 result:

**P13 Oxide Target** 5m @ 1.2 gpt 14m @ 0.8 gpt 7m @ 1.6 gpt 7m @ 1.6 gpt 4m @ 3.7 gpt 1m @ 23.5 gpt 6m @ 2.0 gpt 3m @ 1.0 gpt 2m @ 5.7 gpt 5m @ 2.7 gpt 2m @ 5.1 gpt 4m @ 1.9 gpt 6m @ 1.7 gpt



KT Oxide Target 4m @ 4.0 gpt 3m @ 7.1 gpt 6m @ 2.0 gpt 7m @ 1.6 gpt 10m @ 12.9 gpt 9m @ 1.3 gpt

P17N Oxide Target 6m @ 6.6 gpt 1m @ 51.5 gpt

### **RAP – Sample Houses**









### Timeline



	2019		2020			2021					
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Complete Updated Feasibility Study											
Finalize Project Finance Package											
Resettlement Action Plan (Phase I)											
Tailings Storage Facility											
Off Channel Reservoir Development											
EPC/EPCM											
Process Plant Construction											
Commissioning											
Process Plant Ramp-Up											
First Gold Pour											

## Summary



#### Orezone continues to deliver on its execution plan

- Focused on a project development strategy that Orezone can finance and build while maintaining scalability
- Improved the economics and mine-life of Bomboré with the addition of phased sulphide expansion funded by oxide cash-flows

#### Development schedule on track

- FEED completed
- RAP Phase 1 ongoing and on-track for substantial completion by Q4-2019

#### Project financing discussions advancing

Debt advisor appointed

#### Advancing geological model

 Commence drilling high-grade, shallowly plunging ore shoots at Maga in late September – results expected in November

#### Project optimizations identified

• Orezone continues to evaluate opportunities to improve Bomboré through exploration, resource conversion, grade control and metallurgical improvements



For more information, please contact Vanessa Pickering, Manager, Investor Relations: <u>info@orezone.com</u> Tel: 778-945-3974

