

**Form 62-103F1**

**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

This report updates information disclosed in an earlier early warning report filed by the acquiror described herein on November 1, 2016.

**Item 1 - Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to the acquisition of common shares (“**Common Shares**”) of Orezone Gold Corporation (the “**Issuer**”).

The head office of the Issuer is located at:

290 Picton Avenue, Suite 201  
Ottawa, Ontario  
K1Z 8P8

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The acquisition took place over the facilities of the TSX Venture Exchange.

**Item 2 - Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Sun Valley Gold LLC  
620 Sun Valley Road  
Sun Valley, ID 83353  
USA

(“**Sun Valley**”)

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On September 12, 2018, 2016, Sun Valley acquired control and direction over an aggregate of 38,000 Common Shares for and on behalf of client accounts over which Sun Valley has discretionary trading authority.

**2.3 State the names of any joint actors.**

Sun Valley Gold International, Ltd., of which Sun Valley is the Investment Manager, and Sun Valley Gold, L.P., of which Sun Valley is the General Partner, are the sole holders of the common shares of Sun Valley Gold Master Fund Ltd. (the “**Master Fund**”), a client

account over which Sun Valley has discretionary authority. Accordingly, Sun Valley and the Master Fund are joint actors.

As at the date of this report, Sun Valley Gold, L.P. beneficially owns more than 50% of the shares in the Master Fund. However, the percentage ownership in the Master Fund varies over time and, from time to time, either Sun Valley Gold International, Ltd. or Sun Valley Gold, L.P. may hold more than 50% of the shares of the Master Fund and, as a result of such ownership, might, for purposes of applicable Canadian securities law, be considered or deemed to beneficially own securities beneficially owned by the Master Fund. In addition, Sun Valley, as general partner of Sun Valley Gold, L.P., may, under the applicable securities laws of some jurisdictions, be deemed to beneficially own securities beneficially owned by Sun Valley Gold, L.P. Palmedo Holdings LLLP and Peter Palmedo are the managing members of Sun Valley. Sun Valley Gold Company, a company in which Peter Palmedo is the majority shareholder, is the majority securityholder of Palmedo Holdings LLLP.

### **Item 3 - Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

See Item 2.2.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Sun Valley acquired control and direction over all of the Common Shares that triggered the requirement to file this report.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Before giving effect to the transaction described in Item 2.2, Sun Valley exercised control and direction over an aggregate of 25,011,124 Common Shares, representing approximately 11.74% of the then current issued and outstanding Common Shares, on behalf of client accounts, including the Master Fund, over which Sun Valley has discretionary trading authority.

Immediately after giving effect to the transaction described in Item 2.2, Sun Valley exercised control and direction over an aggregate of 25,049,124 Common Shares for and

on behalf of client accounts. Immediately following completion of such transaction, the 25,049,124 Common Shares over which Sun Valley exercised control and direction for and on behalf of client accounts represented approximately 11.76% of the issued and outstanding Common Shares.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

Sun Valley and the Master Fund are joint actors. The Master Fund has ownership of, but does not exercise control over, 15,077,932 of the Common Shares described in the second paragraph of Item 3.4. Sun Valley exercises control over all of the securities referred to in the second paragraph of Item 3.4 but, except as described in Item 2.3, does not have ownership of such securities.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

The Master Fund beneficially owns, and Sun Valley exercises control and direction over, 15,077,932 of the Common Shares described in the second paragraph of Item 3.4. The sole holders of the common shares of the Master Fund are Sun Valley Gold International, Ltd., of which Sun Valley is the Investment Manager, and Sun Valley Gold, L.P., of which Sun Valley is the General Partner. Sun Valley has discretionary trading authority, and exercises control and direction, over the securities of the Issuer beneficially owned by the Master Fund.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Sun Valley has discretionary trading authority, and exercises control and direction, over all of the securities described in the second paragraph of Item 3.4, but (except as described below) does not have legal or beneficial ownership of such securities. The Master Fund beneficially owns 15,077,932 of the Common Shares described in the second paragraph of Item 3.4. For the purposes of applicable securities laws, to the extent that Sun Valley Gold, L.P. may be considered or deemed to beneficially own securities that are beneficially owned by the Master Fund to the extent that the Master Fund might, for the purposes of such applicable securities laws, be an issuer controlled by Sun Valley Gold, L.P., Sun Valley may be considered or deemed to beneficially own such securities as a result of being the general partner of Sun Valley Gold, L.P.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the**

**material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 - Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Common Shares described in Item 2.2 were acquired for \$0.61 per share.

The aggregate consideration for the 38,000 Common Shares over which Sun Valley acquired control and direction was \$23,180.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

## **Item 5 - Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders; or**
- (k) an action similar to any of those enumerated above.**

The Common Shares described in Item 2.2 were acquired as part of the overall portfolio strategy of its client accounts and Sun Valley may, depending on market and other conditions, increase or decrease its ownership of Common Shares or other securities of the Issuer, whether in the open market, by privately negotiated agreement or otherwise. Sun Valley does not have any current plans or intentions that relate to or would result in the items listed in (a) through (k) above.

## **Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

See Items 2.2, 2.3 and 3.5.

The beneficial owners of the Common Shares described in Item 2.2 are client accounts over which Sun Valley has discretionary trading authority. The sole holders of the common shares of the Master Fund are Sun Valley Gold International, Ltd., of which Sun Valley is the Investment Manager, and Sun Valley Gold, L.P., of which Sun Valley is the General Partner.

#### **Item 7 - Change in material fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

#### **Item 8 - Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and described the facts supporting that reliance.**

Not applicable.

#### **Item 9 - Certification**

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

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**Certificate**

The acquiror certifies that the statements made in this report are true and complete in every respect.

Date: September 12, 2018

**SUN VALLEY GOLD LLC**

By: "Peter F. Palmedo"  
Peter F. Palmedo  
President and Managing Member

**SUN VALLEY MASTER FUND, LTD., by its  
Investment Manager, SUN VALLEY GOLD  
LLC**

By: "Peter F. Palmedo"  
Peter F. Palmedo  
President and Managing Member