

OREZONE GOLD CORPORATION

(A Development Stage Company)

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

For the three and nine month periods ended September 30, 2011

Financial Statements

Condensed Consolidated Interim Statements of Financial Position	2
Condensed Consolidated Interim Statements of Comprehensive Loss	3
Condensed Consolidated Interim Statements of Changes in Equity	4
Condensed Consolidated Interim Statements of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Statements	6

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in United States dollars)

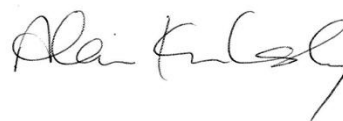
As at	September 30, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
ASSETS			
Current assets			
Cash	38,115,355	61,318,213	4,538,551
Trade and other receivables	92,616	61,450	21,904
Inventories (Note 5)	489,221	167,566	249,780
Prepaid expenses and deposits	1,084,864	685,662	101,935
Government deposits	-	-	108,827
	39,782,056	62,232,891	5,020,997
Interests in exploration properties (Note 6)	5,485,443	2,713,780	2,548,231
Total assets	45,267,499	64,946,671	7,569,228
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	2,850,053	912,893	482,053
EQUITY			
Share capital (Note 7(a))	123,511,231	122,818,816	62,990,088
Contributed surplus (Notes 7(b), 7(c), 8)	9,435,458	7,019,751	3,918,566
Accumulated other comprehensive income	392,566	1,730,892	-
Deficit	(90,974,007)	(68,764,382)	(59,821,479)
Total shareholders' equity	42,365,248	62,805,077	7,087,175
Non-controlling interest (Note 8)	52,198	1,228,701	-
Total equity	42,417,446	64,033,778	7,087,175
Total liabilities and equity	45,267,499	64,946,671	7,569,228

Commitments (Note 14)

Signed on behalf of the Board of Directors of Orezone Gold Corporation:



Director



Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine month periods ended September 30, 2011 and 2010

(Unaudited, expressed in United States dollars, except for share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Expenses				
General and administrative (Note 9)	1,121,783	572,565	3,395,466	1,612,046
Depreciation and amortization	176,327	59,627	337,068	165,128
Share-based compensation	630,153	182,427	2,750,002	483,401
Exploration and project development (Note 9)	7,473,825	618,719	17,455,248	3,532,259
	9,402,088	1,433,338	23,937,784	5,792,834
Other income (loss)				
Foreign exchange gain (loss)	219,704	(337,218)	82,200	(785,955)
Finance income	107,625	15,365	386,191	28,509
Gain on sale of property, plant and equipment	-	-	-	1,754
Income tax recovery	5,341	-	5,341	-
	332,670	(321,853)	473,732	(755,692)
Net loss	(9,069,418)	(1,755,191)	(23,464,052)	(6,548,526)
Net loss attributable to:				
Common shareholders	(8,777,028)	(1,551,168)	(22,209,625)	(6,268,881)
Non-controlling interest	(292,390)	(204,023)	(1,254,427)	(279,645)
Net loss per common share, basic and diluted	(0.11)	(0.02)	(0.27)	(0.09)
Weighted-average number of common shares outstanding, basic and diluted	83,496,091	67,904,254	83,136,744	66,268,269
Other comprehensive income (loss)				
Net loss	(9,069,418)	(1,755,191)	(23,464,052)	(6,548,526)
Foreign currency translation gain (loss)	(3,453,459)	571,932	(1,260,402)	816,220
Comprehensive loss	(12,522,877)	(1,183,259)	(24,724,454)	(5,732,306)
Comprehensive loss attributable to:				
Common shareholders	(12,221,403)	(1,133,447)	(23,547,951)	(5,622,514)
Non-controlling interest	(301,474)	(49,812)	(1,176,503)	(109,792)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

For the nine month periods ended September 30, 2011 and 2010

(Unaudited, expressed in United States dollars, except for number of share amounts)

	Share capital		Contributed surplus	Foreign currency translation reserve, being accumulated other comprehensive income ("AOCI")	Deficit	Non-controlling interest	Total
	Shares	Amount					
	#	\$	\$	\$	\$	\$	\$
Balance, January 1, 2010	53,955,531	62,990,088	3,918,566	-	(59,821,479)	-	7,087,175
Share capital issued (Note 7(a))	13,340,000	9,470,844	-	-	-	-	9,470,844
Share issuance costs (Note 7(a))	-	(804,204)	-	-	-	-	(804,204)
Warrants exercised (Note 7(c))	250,000	222,857	-	-	-	-	222,857
Stock options exercised	605,000	372,640	(153,437)	-	-	-	219,203
Share-based compensation	-	-	483,401	-	-	-	483,401
Foreign currency translation	-	-	-	646,367	-	169,853	816,220
Net loss	-	-	-	-	(6,268,881)	(279,645)	(6,548,526)
Change in subsidiary ownership interests (Note 8)	-	-	2,413,210	-	-	1,433,196	3,846,406
Balance, September 30, 2010	68,150,531	72,252,225	6,661,740	646,367	(66,090,360)	1,323,404	14,793,376
Share capital issued (Note 7(a))	14,375,000	53,246,000	-	-	-	-	53,246,000
Share issuance costs (Note 7(a))	-	(2,937,650)	-	-	-	-	(2,937,650)
Stock options exercised	342,500	258,241	(102,996)	-	-	-	155,245
Share-based compensation	-	-	461,007	-	-	-	461,007
Foreign currency translation	-	-	-	1,084,525	-	(19,006)	1,065,519
Net loss	-	-	-	-	(2,674,022)	(75,697)	(2,749,719)
Balance, December 31, 2010	82,868,031	122,818,816	7,019,751	1,730,892	(68,764,382)	1,228,701	64,033,778
Stock options exercised	789,500	692,415	(334,295)	-	-	-	358,120
Share-based compensation	-	-	2,750,002	-	-	-	2,750,002
Foreign currency translation	-	-	-	(1,338,326)	-	77,924	(1,260,402)
Net loss	-	-	-	-	(22,209,625)	(1,254,427)	(23,464,052)
Balance, September 30, 2011	83,657,531	123,511,231	9,435,458	392,566	(90,974,007)	52,198	42,417,446

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

For the nine month periods ended September 30, 2011 and 2010

(Unaudited, expressed in United States dollars)

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(23,464,052)	(6,548,526)
Adjustments for:		
Depreciation and amortization	337,068	165,128
Share-based compensation (Note 7(b))	2,750,002	483,401
Foreign exchange loss (gain)	(82,200)	785,955
Gain on sale of property, plant and equipment	-	(1,754)
Finance income	(386,191)	(28,509)
Income taxes received (paid)	(29,436)	-
Income tax recovery expense	(5,341)	-
Changes in non-cash operating working capital (Note 10)	1,375,761	(257,184)
Net cash used in operating activities	(19,504,389)	(5,401,489)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of mineral property rights (Notes 6, 8)	-	(238,854)
Acquisition of property, plant and equipment (Note 6)	(3,369,495)	(123,588)
Acquisition of North Atlantic Resources Ltd.'s interest in Brighton Energy Corporation (Note 8)	-	(960,523)
Interest received	386,191	28,509
Recovery of government deposits related to the acquisition of mineral property rights	-	108,827
Proceeds on disposal of property, plant and equipment	-	1,754
Net cash used in investing activities	(2,983,304)	(1,183,875)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance (Note 7(a))	-	9,470,844
Share issuance costs (Notes 7(a), 10)	(100,980)	(804,204)
Net proceeds from Niger Resources Inc. private placement (Note 8)	-	4,806,929
Proceeds from exercise of common share purchase warrants (Note 7(c))	-	222,857
Proceeds from exercise of stock options (Note 7(a))	358,120	219,203
Net cash provided by financing activities	257,140	13,915,629
Effect of foreign currency translation on cash	(972,305)	148,076
Increase (decrease) in cash	(23,202,858)	7,478,341
Cash, beginning of period	61,318,213	4,538,551
Cash, end of period	38,115,355	12,016,892

Supplemental cash flow information is provided in Note 9.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

1. CORPORATE INFORMATION

Orezone Gold Corporation (the "Company") was incorporated on December 1, 2008 under the Canada Business Corporations Act and is a publicly listed corporation on the Toronto Stock Exchange (the "TSX"). The Company's operations include the former exploration interests of Orezone Resources Inc. ("Resources"), excluding the Essakane gold project in Burkina Faso ("Essakane") which was acquired by IAMGOLD Corporation ("IMG") on February 25, 2009 as part of its business combination with Resources (the "Transaction"). The Company is primarily engaged in the acquisition, exploration and development of gold properties in Burkina Faso, West Africa and uranium properties in Niger, West Africa. The Company is in the exploration and evaluation phase and has not yet determined whether any of its mineral properties are technically feasible and commercially viable. The Company's primary objective is to maximize shareholder value by identifying and developing commercially viable gold mining operations.

The address of the Company's corporate office is 290 Picton Avenue, Suite 201, Ottawa, Ontario, Canada, K1Z 8P8.

References to "\$" or "US\$" are to United States dollars and references to "C\$" are to Canadian dollars.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements ("Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") expected to be in effect when the Company prepares its consolidated financial statements for the year ending December 31, 2011. As these Interim Financial Statements are part of the Company's first IFRS annual reporting period, IFRS 1, "First-time Adoption of International Financial Reporting Standards" ("IFRS 1"), has been applied, thus these Interim Financial Statements do not include all the information required for full annual consolidated financial statements prepared in accordance with IFRS.

The Company previously prepared its consolidated interim and annual financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Previous CGAAP"). Certain disclosures that are required to be included in annual consolidated financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual consolidated financial statements prepared in accordance with Previous CGAAP have been included in these Interim Financial Statements for the comparative annual period. However, these Interim Financial Statements do not include all of the information required for full annual consolidated financial statements. These Interim Financial Statements should be read in conjunction with the Company's 2010 annual consolidated financial statements. The adoption of IFRS resulted in changes to certain accounting policies as compared with the most recent annual consolidated financial statements prepared under Previous CGAAP. The description of how the transition from Previous CGAAP to IFRS has affected the reported financial results of the Company since the transition date to IFRS of January 1, 2010 (the "Transition Date") is provided in Note 17.

IFRS standards and interpretations are subject to change. Accordingly, the accounting policies for the annual period that are relevant to the Interim Financial Statements will only be finalized when the first annual consolidated financial statements are prepared in accordance with IFRS for the year ending December 31, 2011.

These Interim Financial Statements were authorized for issue by the Board of Directors on November 10, 2011.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(b) BASIS OF MEASUREMENT

These Interim Financial Statements have been prepared on a historical cost basis and are presented in United States dollars, unless otherwise stated.

The preparation of consolidated financial statements in accordance with IFRS requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

These Interim Financial Statements have been prepared on a basis that assumes the Company will continue operating for the foreseeable future. While the Company is in the exploration and evaluation phase, and has not generated revenue from operations, and relies on external financing to fund its activities, it currently has sufficient working capital to meet its obligations and discharge its liabilities for the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year ending December 31, 2011 and have been applied retrospectively and consistently to all periods presented in these Interim Financial Statements, including the opening consolidated statements of financial position as at January 1, 2010 for the purposes of the transition to IFRS, except where specific exemptions permitted an alternative treatment on transition to IFRS in accordance with IFRS 1 as disclosed in Note 17.

(a) BASIS OF CONSOLIDATION

These Interim Financial Statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until control ceases. Control is established when the Company has the power to govern the financial and operating policy decisions of the entity, and generally exists where more than 50% of the voting power of the entity is held by the Company. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All material intercompany transactions and balances are eliminated in full on consolidation.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest thus exists, any losses of that subsidiary are attributed to the non-controlling interests even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

An associate is an entity in which the Company or its subsidiaries have significant influence, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in, without having control over, the financial and operating policy decisions of the entity, and generally exists where between 20% and 50% of the voting power of the entity is held by the Company. The Company does not currently have any associates.

The subsidiaries of the Company at September 30, 2011 and their principal activities are described below:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Orezone Inc.	British Virgin Islands	100%	Exploration & Development
Orezone Inc. SARL	Burkina Faso	100%	Exploration & Development
Brighton Energy Corporation	Canada	67%	Holding Company
Brighton Energy Limited	British Virgin Islands	67%	Holding Company
Niger Resources Inc.	British Virgin Islands	67%	Exploration & Development
Burkina Resources Inc.	British Virgin Islands	100%	Inactive

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(b) FINANCIAL CURRENCY AND FOREIGN CURRENCY TRANSLATION

These Interim Financial Statements are presented in United States dollars. 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.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period: monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date; non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date; and, non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Such exchange differences arising from retranslation at period-end are recognized in net income (loss).

Foreign operations are translated from their functional currencies into the Company's functional currency (Canadian dollars) on consolidation by applying the exchange rates prevailing at the end of the reporting period for assets and liabilities and the average exchange rate for the period for consolidated statement of comprehensive loss items. Such exchange differences, including differences that arise relating to long-term intercompany balances that form part of the net investment in the foreign operation, are recognized in other comprehensive income (loss).

The condensed consolidated financial statements are translated into the presentation currency (United States dollars) as follows: all assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; equity balances are translated at the rates of exchange at the transaction dates. All items included in the consolidated statements of comprehensive loss are translated using the average monthly exchange rates unless there are significant fluctuations in the exchange rate, in which case the rate at the date of the transaction is used. Exchange differences arising on the translation to the presentation currency are recorded in the accumulated other comprehensive income reserve.

(c) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. For each business combination at the acquisition date, the Company recognizes at fair value all of the identifiable assets acquired, the liabilities assumed, the non-controlling interest in the acquiree and the aggregate of the consideration transferred, including any contingent consideration to be transferred. When the fair value of the consideration transferred and the amount recognized for non-controlling interest exceeds the net amount of the identifiable assets acquired and the liabilities assumed measured at fair value (the "net identifiable assets"), the difference is treated as goodwill. The Company does not currently have goodwill.

Acquisition costs are expensed as incurred in net income (loss). Costs associated with the issuance of equity are charged to the relevant account within equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, and attributed to the shareholders of the Company, through contributed surplus.

The Company has elected on transition to IFRS not to restate business combinations that preceded the Transition Date.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(d) FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially recognized at fair value when the Company or its subsidiaries become party to the contracts that give rise to them. Subsequent measurement depends on whether the financial instrument is classified as fair value through profit and loss ("FVTPL"), available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments classified as: FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss); available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss); and, held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost. Transaction costs in respect of FVTPL financial instruments are recognized in net income (loss) at the transaction date whereas transaction costs in respect of other financial instruments are included in the initial fair value measurement of the financial instrument.

The Company may also enter into derivative financial instruments, or financial instruments and other contracts that contain embedded derivatives. Embedded derivatives are accounted for separately from the host contract at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract, and the host contract is not classified as FVTPL.

The Company has made the following classifications with respect to its financial instruments:

- Cash and government deposits are classified as FVTPL, which are measured at fair value.
- Trade and other receivables, excluding tax receivable balances that do not meet the definition of a financial instrument, and deposits included in interest in exploration properties are classified as loans and receivables, which are measured at amortized cost, using the effective interest method, less any impairment losses.
- Accounts payable and accrued liabilities, excluding taxes payable balances that do not meet the definition of a financial instrument, are classified as other financial liabilities, which are measured at amortized cost, using the effective interest method.
- Derivative instruments are classified as FVTPL, which are measured at fair value.
- The Company does not currently have available-for-sale financial instruments.

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in interest-bearing accounts with high credit quality financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The Company does not currently have cash equivalents.

(f) INVENTORIES

Inventories are measured at the lower of cost and net realizable value and consist of materials and supplies to be consumed in exploration activities. Net realizable value is the estimated selling price in the ordinary course of business less the costs necessary to make the sale.

(g) PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits are measured at the lower of cost and net realizable value and consist of prepayments on service and rental contracts and short-term deposits on purchases of supplies and property, plant and equipment. Net realizable value is the estimated recovery value in the ordinary course of business less the costs necessary to recover the prepayment or deposit. Deposits on property, plant and equipment are transferred to interests in exploration properties and included in the initial acquisition cost of the asset when it is received.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(h) INTERESTS IN EXPLORATION PROPERTIES

All of the Company's projects are currently in the exploration and evaluation phase.

Pre-exploration expenditures

Costs during the pre-exploration phase are expensed as incurred in net income (loss).

Exploration and evaluation expenditures

Once the legal right to explore a mineral property has been acquired, costs directly related to the acquisition of the mineral property rights are capitalized and accounted for on either an individual property or area-of-interest basis. Subsequently the mineral property rights are carried at cost, less any impairment, until such time as the assets are substantially ready for their intended use or sale, being commercial production at operating levels intended by management. Purchased mining properties are recognized as assets at their acquisition date fair value if purchased as part of a business combination.

Exploration expenditures incurred during the exploration and evaluation phase are expensed as incurred in net income (loss), whereas such costs were capitalized under Previous CGAAP. The Company has also applied this exploration expenditure policy on transition to IFRS (see Note 17(d)).

Mine development costs

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 considered to be a mine property under development. Thereafter, costs incurred directly related to mine development and construction are capitalized, including associated acquisition costs, directly attributable administrative or support costs and depreciation of related property, plant and equipment, and are accounted for on either an individual property or area-of-interest basis. Subsequently the mine properties under development are carried at the aforementioned cost, less any impairment, until such time as the assets are substantially ready for their intended use or sale, being commercial production at operating levels intended by management.

Technical feasibility and commercial viability is established once all of the following conditions have been met:

- The Company has established a 43-101 compliant estimate of resources and/or reserves;
- The Company has obtained a mining permit or otherwise has the right to extract the resource and/or reserves; and
- The Company has established that it is economically viable to mine the resource and/or reserves. This includes the completion of a 43-101 compliant study to a pre-feasibility level at a minimum.

As the Company currently has no operational income and is not capitalizing exploration expenditures during the exploration and evaluation phase, any incidental revenues earned in connection with the exploration activities, or government assistance or mining duty credits realized, during this phase are applied against the exploration costs in net income (loss).

(i) REHABILITATION LIABILITIES

The Company is subject to various government laws and regulations and constructive obligations related to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred, including estimated costs of restoration, reclamation and re-vegetation of the affected exploration sites. When the liability is recognized at the present value of the estimated costs, the carrying amount of the capitalized related mining assets is correspondingly increased. Subsequently, the liability is adjusted for changes in the present value based on current market discount rates and liability-specific risks. The Company does not currently have rehabilitation liabilities.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(j) PROPERTY, PLANT AND EQUIPMENT

Upon initial acquisition, property, plant and equipment including land are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. In subsequent periods, property, plant and equipment excluding land are stated at cost less accumulated depreciation and any impairment in value, while land is stated at cost less any impairment in value. Property, plant and equipment unrelated to production are depreciated using the straight-line method over the estimated useful lives of the assets. Mineral properties are depleted on a unit-of-production basis over the measured and indicated resources or the life of the mine. Land is not depreciated.

Where significant components of assets have differing useful lives, depreciation is calculated on each separate component. Estimates of remaining useful lives and residual values are reviewed annually, with any changes accounted for prospectively.

The Company uses the following estimated useful lives for property, plant and equipment excluding land:

Buildings	10 – 20 years
Field equipment	2 – 10 years
Office equipment and furniture	2 – 4 years
Vehicles	4 years
Capital improvements	2 – 10 years

As a result of a review of the useful lives of its property, plant and equipment, the Company has changed the period of amortization for certain depreciable assets as described in Note 3(s).

Major maintenance and repairs

Expenditures on major maintenance and repairs include the cost of asset replacement parts and overhaul costs. When an asset or part of an asset is replaced or overhauled and it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured, that expenditure is capitalized and the carrying amount of the item replaced is derecognized. All maintenance and repairs costs, except major overhaul or replacement costs, are expensed as incurred in net income (loss).

Gains and losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in other income (loss).

Leased assets

The Company does not currently have any leases where the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a “finance lease”), whereby the asset is treated as if it had been purchased outright.

(k) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses non-financial assets including mineral property rights, mine properties under development, mineral property assets and property, plant and equipment for impairment when facts and circumstances suggest that the carrying amount of the asset may not exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized immediately in net income (loss).

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in net income (loss).

Capitalized mineral property rights are also tested for impairment before the assets are transferred to the mineral property costs.

(l) PROVISIONS

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. The Company does not currently have any provisions.

Contingent liabilities and assets are not recognized in the consolidated financial statements. However, contingent liabilities are disclosed in the notes to the consolidated financial statements unless their occurrence is remote, and contingent assets are disclosed in the notes to the consolidated financial statements if their recovery is deemed probable. The Company does not currently have any contingent liabilities or assets.

(m) INCOME TAXES

Income taxes, including all domestic and foreign taxes based on taxable profits, are included in net income (loss) or directly in equity depending on the items the taxes relate to. Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be realized, and is later reduced if the Company determines it is no longer probable to be realized. Current tax assets and liabilities are only offset to the extent that there is a legally enforceable right to offset them, when they have been levied by the same taxation authority for the same underlying legal entity and the Company intends to settle them on a net basis. The Company has not currently recognized any deferred tax assets or liabilities. In particular, no deferred tax asset has been recognized in respect of tax loss carry-forwards as it is not probable at the end of the reporting period that future taxable profits will be available against which such an asset can be realized.

(n) SHARE CAPITAL

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial asset or liability. The Company's common shares and common share purchase warrants are classified as equity instruments. Incremental costs directly attributable to the issuance of new equity instruments are shown in equity as a deduction from the proceeds of issuance.

(o) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing the net income or loss attributable to common shareholders of the Company by the weighted-average number of outstanding common shares for the period.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the period including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(p) SHARE-BASED COMPENSATION

The Company has a share-based compensation plan (the "Plan") described in Note 7(b). The Company's subsidiary, Orezone Inc., issued common share purchase warrants of its subsidiary, Brighton Energy Corp., as described in Note 7(c) (the "2010 Brighton Warrants"). The Company and Orezone Inc. measure the compensation cost of stock options issued under the Plan and the 2010 Brighton warrants respectively using the fair-value method as determined using the Black-Scholes option pricing model. Compensation costs are measured at the grant date based on the fair value of the award and are recognized over the vesting period in net income (loss) or are capitalized in mine property under development costs depending on the responsibilities of the option holder, with a corresponding increase to contributed surplus. Upon exercise, common shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model incorporates highly subjective assumptions, including volatility and expected time until exercise, which affect the calculated values. At the end of each reporting period, the Company reviews the option pricing model and updates model inputs for any changes for the purposes of determining the fair value of new grants, and reflects the impact of changes to non-market inputs, like forfeitures, for previous grants in net income (loss) or mine property under development costs, with a corresponding adjustment to contributed surplus.

The Company has elected to not apply IFRS 2, "Share-Based Payments" ("IFRS 2"), retrospectively to equity-settled stock option grants that have fully vested at the Transition Date.

(q) COMPREHENSIVE INCOME (LOSS)

The Company reports the changes in equity which result from transactions, events and circumstances from non-shareholder sources in its comprehensive income (loss) that are not included in net income (loss) such as certain unrealized gains and losses resulting from changes in the fair value of financial assets classified as available-for-sale, gains and losses on derivative instruments and from foreign currency exchange gains and losses resulting from foreign subsidiaries with a functional currency different than the functional currency of the Company, and from foreign currency exchange gains and losses resulting from translating the consolidated results of the Company to the presentation currency.

(r) SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties. The Company has operations in three geographic areas, being Canada, Burkina Faso and Niger.

(s) CHANGE IN ACCOUNTING ESTIMATES

As of April 1, 2011 the Company has revised the estimated useful lives of certain office and field equipment to 2-4 years (previously 2-3 years), certain vehicles to 4 years (previously 2 years) and certain capital improvements to 5-10 years (previously 2 years). The Company has also adopted these same new useful lives as its policy for property, plant and equipment acquired on or after April 1, 2011.

This change in estimated useful lives was applied prospectively to the remaining impacted unamortized asset balances as at April 1, 2011 and has resulted in a decrease to depreciation and amortization expense and net loss of \$51,005 and \$106,328 respectively, for the three and nine month periods ended September 30, 2011. As at September 30, 2011, the total impact on net income (loss) in future periods resulting from this change in estimate will be to spread the remaining impacted unamortized asset balance of \$535,007 to depreciation and amortization expense over a weighted-average amortization period of 4.2 years (1.4 years prior to the change) until the impacted assets are fully depreciated. This change had no impact on the loss per share amounts for the three or nine month periods ended September 30, 2011.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(t) STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

Standards, amendments and interpretations issued but not yet effective up to the date of the issuance of the Interim Financial Statements are listed below, none of which have been early adopted by the Company. The Company reasonably expects these standards, amendments and interpretations to be applicable at a future date and intends to adopt them once they become effective. The Company is currently evaluating the impact that these standards, amendments and interpretations will have on its consolidated financial statements, however the Company does not expect the impact of the resulting changes to the consolidated financial statements to be material.

IFRS 7, “Financial Instruments: Disclosures”

This amendment provides disclosure guidance on transfers of financial assets. This amendment is effective for annual periods beginning on or after July 1, 2011. Earlier application is permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

IFRS 9, “Financial Instruments”

This new standard is part of the IASB’s project to replace IAS 39, “Financial Instruments: Recognition and Measurement” and provides guidance on the classification and measurement of financial assets, financial liabilities, hedge accounting and derecognition. This new standard will also supersede International Financial Reporting Interpretations Committee 9, “Reassessment of Embedded Derivatives” (“IFRIC 9”). This standard is effective for annual periods beginning on or after January 1, 2015. Earlier application is permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

IFRS 10, “Consolidated Financial Statements”

This new standard provides guidance on the determination of control where this is difficult to assess and replaces the consolidation requirements in IFRS Standing Interpretations Committee 12, “Consolidation – Special Purpose Entities” (“SIC 12”). This new standard will also supersede the portion of IAS 27, “Consolidated and Separate Financial Statements”, that addresses the accounting for consolidated financial statements. This standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

IFRS 11, “Joint Arrangements”

This new standard provides guidance on how to account for interests in jointly controlled entities. This standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. This pronouncement is not expected to have a material impact on the Company’s consolidated financial statements.

IFRS 12, “Disclosure of Interests in Other Entities”

This new standard provides disclosure guidance on interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. This standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

IFRS 13, “Fair Value Measurement”

This new standard sets out a single IFRS definition and measurement framework for fair value. This standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

IAS 12, "Income Taxes"

This amendment contains new standards related to deferred tax: recovery of underlying assets and supersedes SIC 21, "Income Taxes – Recovery of Revalued Non-Depreciable Assets". This amendment is effective for annual periods beginning on or after January 1, 2012. Earlier application is permitted. The application of this pronouncement is not expected to have a material impact on the Company's consolidated financial statements.

IAS 27, "Consolidated and Separate Financial Statements"

This amendment contains accounting and disclosure requirement for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. This amendment requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9, "Financial Instruments". This amendment is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements.

IAS 28, "Investments in Associates"

This amendment prescribes the accounting for investments in associates and sets out the requirement for the application of the equity method when accounting for investments in associates and joint ventures. The amendment is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The application of this pronouncement is not expected to have a material impact on the Company's consolidated financial statements.

IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine"

This Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The application of this pronouncement is not expected to have an impact on the Company's consolidated financial statements as the Company is currently in the exploration and evaluation phase.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Interim Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Interim Financial Statements. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

Significant judgments include those related to the going concern assumption, the determination of functional currency and the accounting policy selection for interests in exploration properties and property, plant and equipment. Significant estimates include share-based compensation related to stock options and warrants, the useful lives of property, plant and equipment and the impairment of non-financial assets.

5. INVENTORIES

The cost of material and supplies inventories recognized as an expense during the three and nine month periods ended September 30, 2011 is \$1,004,207 and \$1,908,555 respectively (2010 – \$29,989 and \$358,332 respectively). There were no write-downs or reversals of write-downs of inventories to net realizable value during the first three quarters of 2011 or 2010. As at September 30, 2011, no specific inventories are pledged as security for liabilities.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

6. INTERESTS IN EXPLORATION PROPERTIES

Assets not subject to depreciation and amortization	Land	Mineral property rights	Deposits	Construction in progress	Total	
	\$	\$	\$	\$	\$	
Cost, being carrying amount						
Balance, January 1, 2010	335,387	1,118,623	80,565	-	1,534,575	
Additions	8,559	238,854	-	-	247,413	
Disposals and refunds	-	-	(5,316)	-	(5,316)	
Foreign currency translation	(11,979)	19,605	(4,242)	-	3,384	
Balance, December 31, 2010	331,967	1,377,082	71,007	-	1,780,056	
Additions	-	-	6,274	1,091,454	1,097,728	
Transfer to depreciable property	-	-	-	(1,112,143)	(1,112,143)	
Foreign currency translation	(9,115)	(34,573)	(51)	20,689	(23,050)	
Balance, September 30, 2011	322,852	1,342,509	77,230	-	1,742,591	
Assets subject to depreciation and amortization						
	Building	Capital improvements	Field equipment	Vehicles	Office equipment and furniture	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance, January 1, 2010	927,509	-	203,997	-	77,589	1,209,095
Additions	53,238	76,133	64,942	-	20,557	214,870
Foreign currency translation	(59,944)	1,152	(12,025)	-	4,378	(66,439)
Balance, December 31, 2010	920,803	77,285	256,914	-	102,524	1,357,526
Additions	1,135,547	1,251,278	673,301	255,187	68,597	3,383,910
Foreign currency translation	(122,104)	(88,837)	(36,556)	(9,802)	1,707	(255,592)
Balance, September 30, 2011	1,934,246	1,239,726	893,659	245,385	172,828	4,485,844
Accumulated depreciation and amortization						
Balance, January 1, 2010	78,220	-	76,732	-	40,487	195,439
Depreciation for the year	88,764	10,205	99,144	-	27,890	226,003
Foreign currency translation	(297)	175	(613)	-	3,095	2,360
Balance, December 31, 2010	166,687	10,380	175,263	-	71,472	423,802
Depreciation for the period	105,401	110,536	69,493	26,639	24,999	337,068
Foreign currency translation	(1,412)	(6,700)	(17,197)	(1,514)	8,945	(17,878)
Balance, September 30, 2011	270,676	114,216	227,559	25,125	105,416	742,992
Carrying amounts as at:						
January 1, 2010	849,289	-	127,265	-	37,102	1,013,656
December 31, 2010	754,116	66,905	81,651	-	31,052	933,724
September 30, 2011	1,663,570	1,125,510	666,100	220,260	67,412	3,742,852

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

	Nine months ended September 30, 2011	Year ended December 31, 2010
Total interests in exploration properties	\$	\$
Cost, beginning of period	3,137,582	2,743,670
Additions, net of transfers between depreciable and non-depreciable properties	3,369,495	462,283
Disposals and refunds	-	(5,316)
Foreign currency translation	(278,642)	(63,055)
Cost, end of period	6,228,435	3,137,582
Accumulated depreciation and amortization, beginning of period	423,802	195,439
Depreciation and amortization	337,068	226,003
Foreign currency translation	(17,878)	2,360
Accumulated depreciation and amortization, end of period	742,992	423,802
Carrying amounts, beginning of period	2,713,780	2,548,231
Carrying amounts, end of period	5,485,443	2,713,780

The Company does not currently have depreciation and amortization capitalized in interests in exploration properties.

The Company held the following mineral property rights by area as at September 30, 2011:

	Number of permits	Area (km ²)	Expiry dates ¹ of current permits	Expiry dates ¹ of potential permit renewals	Expiry dates ² of mining conventions
Bomboré	2	168	02/13 and 07/14	07/20	n/a
Sega	2	313	03/13 and 06/12	03/16 and 06/15	n/a
Bondi	1	224	08/12	08/15	n/a
Brighton, Niger (Uranium)	5	3,958	11/12, 11/12, 10/12, 10/12 and 04/12	11/18, 11/18, 10/18, 10/18 and 04/18	05/27, 05/27, 04/27, 04/27 and 08/36
	10	4,663			

The carrying amounts of the mineral property rights by area were as follows:

As at	September 30, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Burkina Faso			
Bomboré	900,130	936,646	898,769
Sega	17,367	17,291	18,512
Bondi	188,888	188,059	201,342
Total Burkina Faso	1,106,385	1,141,996	1,118,623
Brighton, Niger (Uranium)	236,124	235,086	-
Total mineral property rights	1,342,509	1,377,082	1,118,623

¹ In Burkina Faso and Niger, exploration permits are valid for a period of three years from the date of issue and may be renewed for two more consecutive terms of three years each. Permit size reductions of 50% accompany each permit renewal in Niger while permits in Burkina Faso are subject to a 25% surface area reduction only upon the second renewal.

² In Niger, mining conventions are valid for a period of twenty years from the date of issue and are renewable until the reserves are exhausted, except in the case of the Abelajouad permit which has a term of 30 years.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

Bomboré, Burkina Faso

The Bomboré (105 km²) and the Toéyoko (63 km²) permits are located in the Ganzourgou province. The Bomboré permit was renewed in January 2010 for its final three-year term. The Toéyoko permit was acquired in June 2011 for a three-year term and may be renewed for two more consecutive three-year terms. The Company owns a 100% interest in the permits less the standard sliding net smelter royalty¹ (“NSR”) and 10% carried interest held by the government in the event that a mining permit is granted.

Sega, Burkina Faso

The Sega project consists of the Tiba (124 km²) and Namasa (189 km²) permits. The Tiba permit is located in the Yatenga province and was renewed in April 2010 for its second consecutive three-year term, which expires in March 2013. The Namasa permit is located in the Yatenga and Zandoma provinces, expires in June 2012 and may be renewed for one more consecutive three-year term. The Company originally acquired the project from IAMGOLD Corporation (formerly Repadre Capital Corporation, “Repadre”) in 2001. Upon transfer in 2001, Repadre retained a 3% NSR in the project of which 2% can be bought back for \$2,000,000. The Company is also subject to the standard sliding NSR¹ and 10% carried interest held by the government in the event that a mining permit is granted.

Bondi, Burkina Faso

The Bondi project consists of the Djarkadougou (224 km²) permit, which is located in the Bougouriba province and expires in August 2012. The Company owns a 100% interest in the permit less the standard sliding NSR¹ and 10% carried interest held by the government in the event that a mining permit is granted. This permit may be renewed for one more consecutive three-year term.

Brighton, Niger (Uranium)

The Company, through its 67%-owned interest in Brighton Energy Corporation (“Brighton”), has five uranium exploration permits in Niger. Zéline 1 (482 km²) and Zéline 4 (500 km²) expire in October 2012 and may be renewed for two more three-year terms with permit size reductions. The Company also holds Mining Conventions relating to these two permits with terms of 20 years, which are renewable until the reserves are exhausted. The Abelajouad (2,000 km²) permit expires in April 2012, while the Assaouas 1 (491 km²) and Assaouas 2 (485 km²) permits expire in November 2012. These latter three permits may be renewed for two more three-year terms with permit size reductions.

¹ On December 31, 2010, the Government of Burkina Faso passed an amendment to its Mining Law whereby the government's royalty interest would be: maintained at 3% if the price of gold is less than or equal to \$1,000/oz; increased to 4% if the price of gold is between \$1,000/oz and \$1,300/oz; and, increased to 5% if the price of gold is greater than or equal to \$1,300/oz. The royalty level is applied to all gold sold or delivered by a refinery, based on the daily spot price of such distribution. The annual mining permit taxes were also increased from \$1,020/km² to \$15,306/km² for the first five years, to \$20,408/km² for the next five years and then to \$30,612/km² from the eleventh year on, based on current XOF exchange rates.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

7. SHARE CAPITAL

(a) CAPITAL STOCK

Authorized capital stock consists of an unlimited number of common shares, without par value.

On January 26, 2010, the Company completed a C\$10,005,000 (US\$9,470,844) equity financing whereby it issued 13,340,000 common shares at a price of C\$0.75 per share. The net proceeds of C\$9,155,779 (US\$8,666,640) from the financing were used principally to fund ongoing exploration and development activities at the Company's West African projects.

On December 21, 2010, the Company completed a C\$53,906,250 (US\$53,246,000) equity financing whereby it issued 14,375,000 common shares at a price of C\$3.75 per share. The net proceeds of C\$50,934,774 (US\$50,308,350) from the financing are being used principally to fund ongoing exploration and development activities at the Company's West African projects.

(b) STOCK OPTION PLANS

Orezone Gold Corporation

On May 15, 2009, the Company's shareholders approved the Company's stock option plan (the "Plan"). Under the terms of the Plan, stock options may be granted to directors, officers, employees and persons providing ongoing services to the Company. Stock options are issued at market value based on the volume-weighted-average price for the five trading days immediately preceding the date of grant and can have a contractual term of up to ten years and generally vest over two to three years. The maximum number of common shares reserved for issuance under the Plan is equal to 10% of the Company's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement for the Company. The Company does not presently have any other security-based compensation arrangement. All stock options are equity-settled and are issued with a contractual life of ten years. As at September 30, 2011, a total of 8,365,753 stock options may be issued in relation to the Company's issued and outstanding shares. Up to and including September 30, 2011 there have been 8,120,000 stock options issued, 530,500 of those options have been forfeited which leaves an additional 776,253 stock options that may be granted by the Company.

The following is a summary of stock option activity between January 1, 2010 and September 30, 2011:

	Number of stock options	Weighted- average exercise price
		C\$
Balance outstanding, January 1, 2010	5,320,000	0.39
Granted	995,000	1.44
Exercised	(947,500)	0.41
Forfeited	(440,000)	0.50
Balance outstanding, December 31, 2010	4,927,500	0.59
Granted	1,805,000	4.30
Exercised	(789,500)	0.44
Forfeited	(90,500)	3.11
Balance outstanding, September 30, 2011	5,852,500	1.72
Options exercisable, December 31, 2010	2,775,000	0.46
Options exercisable, September 30, 2011	3,903,334	0.91

As at September 30, 2011, the following stock options were outstanding and exercisable:

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

Range of exercise prices	Outstanding			Exercisable	
	Outstanding options	Remaining contractual life	Weighted-average outstanding exercise price	Vested options	Weighted-average vested exercise price
C\$		(in years)	C\$		C\$
\$0.00 to \$0.49	3,290,000	7.60	0.39	3,290,000	0.39
\$0.50 to \$0.99	472,500	8.78	0.85	64,000	0.85
\$2.00 to \$2.99	300,000	9.07	2.35	100,000	2.35
\$3.00 to \$3.99	50,000	9.14	3.65	16,000	3.65
\$4.00 to \$4.99	1,740,000	9.45	4.31	433,334	4.42
	5,852,500	8.33	1.72	3,903,334	0.91

As at December 31, 2010, the following stock options were outstanding and exercisable:

Range of exercise prices	Outstanding			Exercisable	
	Outstanding options	Remaining contractual life	Weighted-average outstanding exercise price	Vested options	Weighted-average vested exercise price
C\$		(in years)	C\$		C\$
\$0.00 to \$0.49	3,827,500	8.35	0.39	2,517,500	0.38
\$0.50 to \$0.99	750,000	9.24	0.75	157,500	0.61
\$2.00 to \$2.99	300,000	9.81	2.35	100,000	2.35
\$3.00 to \$3.99	50,000	9.88	3.65	-	-
	4,927,500	8.59	0.59	2,775,000	0.46

The following is a summary of stock option grant activity and related Black-Scholes option pricing model input factors used between January 1, 2010 and September 30, 2011:

	Nine months ended September 30, 2011	Year ended December 31, 2010
Stock options granted during period	1,805,000	995,000
Weighted-average exercise price	C\$4.30	C\$1.44
Weighted-average grant date market price	C\$4.11	C\$1.41
Expected stock option life ¹	3.8 years	7.8 years
Expected volatility ²	85%	83%
Risk-free interest rate ³	2.33%	2.45%
Dividend yield	0.00%	0.00%
Weighted-average grant date fair value (Black-Scholes value)	C\$2.45	C\$0.96

¹ The expected option life (estimated period of time outstanding) of options granted was estimated using the historical exercise behaviour of employees with reference to the then-current weighted-average life and intrinsic value of options outstanding as at the end of the reporting periods.

² The expected volatility was based on historical volatility of the Company since its listing date excluding the first three months of trading data as trading volume and behaviour during this period is not indicative of longer term expected volatility.

³ The risk-free rate is based on the yield of a Government of Canada marketable bond in effect at the time of grant with an expiry commensurate with the expected life of the award.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

The grant date fair value is calculated using the Black-Scholes option valuation model. As at September 30, 2011, there was \$1,890,866 (as at December 31, 2010 – \$624,069) of total unrecognized share-based compensation costs related to unvested stock option awards granted under the Plan that are expected to be recognized over a weighted-average period of 1.15 years.

Contributed surplus as at September 30, 2011 and December 31, 2010 consists primarily of a share-based payment reserve related to stock options issued under the Plan, less the contributed surplus reserve amounts related to the Brighton common share purchase warrants described in Note 7(c) and the non-controlling interest transactions described in Note 8.

Brighton Energy Corporation

On December 22, 2010, the Board of Directors of Brighton, a 67%-owned subsidiary of the Company, approved the Brighton Energy Corporation stock option plan (the “2010 Plan”). Under the terms of the 2010 Plan, stock options may be granted to directors, officers and employees of Brighton or a related entity of Brighton and persons providing ongoing services to Brighton. Stock options shall be issued at a price fixed by Brighton’s Board of Directors, if the board does not set a price the stock options shall be issued at no less than the price of the common shares issued as part of the most recent private placement (or other equity transaction) prior to the grant date. The stock options can have a contractual term of up to ten years. The maximum number of common shares reserved for issuance under the 2010 Plan is equal to 10% of Brighton’s issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security based compensation arrangement for Brighton. Brighton does not presently have any other security based compensation arrangement. All stock options are expected to be equity-settled and are issued with a life of ten years. As at September 30, 2011, a total of 1,500,000 options may be issued in relation to Brighton’s issued and outstanding shares. Up to and including September 30, 2011 there have been 1,500,000 stock options issued, 55,000 of those options have been forfeited which leaves 55,000 additional stock options that may be granted by Brighton.

On December 22, 2010, the Board of Brighton granted 1,500,000 options with an exercise price of C\$1.00 and a life of ten years. The options vest one year subsequent to an initial public offering by Brighton or other corporate transaction or immediately upon change of control. Up to and including September 30, 2011 none of the vesting conditions for the Brighton options have been met.

No share-based compensation costs have been recorded for the three and nine month periods ended September 30, 2011, or the year ended December 31, 2010, related to the Brighton options since the conditions for vesting have not yet been met.

During the nine months ended September 30, 2011, 55,000 stock options were forfeited with a weighted-average exercise price of C\$1.00 (no stock options were forfeited in the year ended December 31, 2010).

As at September 30, 2011, 1,445,000 stock options remained outstanding with a weighted-average exercise price of C\$1.00, a weighted-average grant date fair value of C\$0.18 and a remaining contractual life of 9.24 years.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(c) COMMON SHARE PURCHASE WARRANTS

Prior to the execution of the Transaction, Standard Bank ("Standard") held 2,000,000 warrants to purchase common shares of Resources at a price of C\$1.30 per share, expiring on August 29, 2010. Pursuant to the warrant agreement and the terms of the Transaction, the warrants did not expire upon a change of control, which the Transaction was deemed to be. Standard was therefore entitled to receive 0.08 common shares of IMG and 0.125 common shares of the Company for each warrant exercised subsequent to February 25, 2009. On March 13, 2009, IMG and the Company agreed on the ratio of the exercise price that would be received by each in the event that Standard exercises the warrants. On August 26, 2010, Standard exercised its warrants in the Company and as a result the Company issued 250,000 common shares in exchange for C\$234,000 (US\$222,857).

On October 4, 2010, the Board of Orezone Inc., a wholly-owned subsidiary of the Company, approved the issuance of 545,000 warrants to certain members of the Company and its subsidiaries' Management and Board of Directors to purchase 545,000 of the common shares of Brighton held by Orezone Inc. (the "2010 Brighton Warrants"). The 2010 Brighton Warrants were issued at a price of C\$1.00, vested immediately and expire one year subsequent to the date of an initial public offering by Brighton or other corporate transaction. Contributed surplus as at September 30, 2011 and December 31, 2010 includes a \$66,801 reserve related to the 2010 Brighton Warrants.

8. BUSINESS COMBINATIONS AND NON-CONTROLLING INTEREST

The Company has elected on transition to IFRS to not restate business combinations that preceded the Transition Date. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, and attributed to the shareholders of the Company, through contributed surplus.

On March 2, 2010, Niger Resources Inc. ("NIREs"), a subsidiary of the Company, acquired three uranium exploration permits, Abelajouad, Assaouas 1 and Assaouas 2 from North Atlantic Resources Ltd. ("NAC") in exchange for a 20% interest in NIREs and C\$250,000 (US\$238,854) in cash consideration. This resulted in the Company's interest in NIREs being reduced from 100% to 80%. A non-controlling interest of (\$83,642) was recorded on the date of the transaction, with a corresponding equal addition recorded in contributed surplus, since the net assets of NIREs were (\$418,211) immediately before the transaction.

On June 30, 2010, the Company's 80%-owned subsidiary NIREs completed a non-brokered private placement whereby it issued 5,000,000 common shares in exchange for net proceeds of C\$4,984,695 (US\$4,806,929). As a result, the Company's ownership interest in NIREs was reduced to 53.33%. Accordingly, the Company's proportionate share of the increase in net assets of NIREs (C\$2,856,942 or US\$2,755,057) was recorded as an addition to contributed surplus with the balance of the increase (C\$2,127,753 or US\$2,051,872) recorded as an increase to non-controlling interest.

On August 31, 2010, all of the participants in the private placement, as well as NAC, exchanged their 7,000,000 common shares of NIREs for equivalent common shares of Brighton, a parent of NIREs. The non-controlling interest ownership percentages of Brighton following the transaction equalled their ownership percentages of NIREs immediately before the transaction.

On September 8, 2010, the Company closed a share purchase agreement to purchase all the outstanding shares of Brighton owned by NAC for C\$1,000,000 (US\$960,523). As a result of the transaction, the Company's interest in Brighton increased to 66.67% and the non-controlling interest was reduced by US\$535,034 while the residual US\$425,489 was deducted from contributed surplus.

Contributed surplus as at September 30, 2011 and December 31, 2010 includes a \$2,413,210 reserve related to the above non-controlling interest transactions.

Cash of \$1.2 million reported by the Company as at September 30, 2011 was raised in NIREs to be used to advance uranium exploration projects in Niger (as at December 31, 2010 – \$4.1 million).

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

9. EXPENSES

The following is a summary of expenses presented by nature detail for expenses presented by function on the condensed consolidated statements of comprehensive loss for 2011 and 2010:

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Salaries and employee costs	558,811	225,301	1,692,471	675,950
General office costs	210,561	207,428	684,020	417,042
Public relations and travel	183,962	70,119	493,989	242,739
Public company costs	55,865	27,761	252,046	136,757
Professional fees	112,584	41,956	272,940	139,558
Total general and administrative	1,121,783	572,565	3,395,466	1,612,046
Drilling and assaying	4,923,846	292,268	10,573,350	2,051,946
General camp and facilities costs	1,034,877	69,084	2,702,788	578,301
Engineering and consultants	888,918	68,371	2,565,726	240,967
Salaries and employee costs	626,184	188,996	1,613,384	661,045
Total exploration and project development	7,473,825	618,719	17,455,248	3,532,259

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and nine month periods ended September 30, 2011 is \$1,184,995 and \$3,305,854 respectively (2010 – \$414,297 and \$1,336,995 respectively).

Total general and administrative expense (“G&A”) above includes both the Company’s head office G&A and local G&A related to operating the Company’s subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, Director compensation, public relations and travel, facilities and IT, as well as all costs associated with maintaining the Company’s listing on the Toronto Stock Exchange. Total G&A pertaining to the Company’s head office for the three and nine month periods ended September 30, 2011 is \$740,336 and \$2,278,058 respectively (2010 – \$246,906 and \$925,943 respectively).

10. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information for the nine month periods ended September 30, 2011 and 2010 was as follows:

	2011	2010
	\$	\$
Details of changes in non-cash operating working capital are as follows:		
Trade and other receivables	(35,050)	626
Inventories	(335,554)	95,264
Prepaid expenses and deposits	(434,607)	(232,876)
Accounts payable and accrued liabilities	2,180,972	(120,198)
	1,375,761	(257,184)
Details of changes in non-cash financing working capital related to the share issuance costs are as follows:		
Accounts payable and accrued liabilities	(100,980)	14,772

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

11. SEGMENTED INFORMATION

The Company operates in business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties. Operations are carried out through a wholly-owned subsidiary, Orezone Inc., incorporated in the British Virgin Islands.

The carrying amounts of interests in exploration properties (see Note 6) segmented by geographic area were as follows:

As at	September 30, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Canada	16,141	31,052	37,102
Burkina Faso	5,009,140	2,244,068	2,312,329
Niger	460,162	438,660	198,800
	5,485,443	2,713,780	2,548,231

Total net additions to the cost of interests in exploration properties segmented by geographic area were as follows:

	Nine months ended September 30, 2011	Year ended December 31, 2010
	\$	\$
Canada	3,608	20,557
Burkina Faso	3,336,245	183,205
Niger	29,642	253,205
	3,369,495	456,967

12. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, trade and other receivables, deposits (included in interests in exploration properties) and accounts payable and accrued liabilities. The fair value of trade and other receivables, deposits and accounts payable and accrued liabilities are equivalent to their carrying amounts given their short maturity period. As at September 30, 2011 and December 31, 2010, the following taxes receivable and payable balances are included in the consolidated statements of financial position that do not meet the definition of a financial instrument, and are thus excluded from the analysis of financial instrument risk that follows:

As at	September 30, 2011	December 31, 2010
	\$	\$
Taxes receivable, included in trade and other receivables	59,105	31,758
Taxes payable, included in accounts payable and accrued liabilities	106,918	93,262

(a) CURRENCY RISK

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in United States dollars ("USD"), Canadian dollars ("CAD"), Euros ("EUR"), and Communauté Financière Africaine francs ("CFA"). Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

The USD equivalent of the Company's financial instruments by denomination currency as at September 30, 2011 and December 31, 2010 was as follows:

As at September 30, 2011	USD	CAD	EUR & CFA¹	Total
	\$	\$	\$	\$
Financial assets				
Cash	3,475,142	29,120,108	5,520,105	38,115,355
Trade and other receivables	1,124	32,387	-	33,511
Deposits	-	-	77,230	77,230
	3,476,266	29,152,495	5,597,335	38,226,096
Financial liabilities				
Accounts payable and accrued liabilities	(8,975)	(1,513,713)	(1,220,447)	(2,743,135)
Net financial instruments, September 30, 2011	3,467,291	27,638,782	4,376,888	35,482,961

As at December 31, 2010	USD	CAD	EUR & CFA¹	Total
	\$	\$	\$	\$
Financial assets				
Cash	883,221	59,578,326	856,666	61,318,213
Trade and other receivables	-	26,693	2,999	29,692
Deposits	-	-	71,007	71,007
	883,221	59,605,019	930,672	61,418,912
Financial liabilities				
Accounts payable and accrued liabilities	(54,544)	(634,295)	(130,792)	(819,631)
Net financial instruments, December 31, 2010	828,677	58,970,724	799,880	60,599,281

As at September 30, 2011 and December 31, 2010, a 10% weakening against the USD of the currencies to which the Company had exposure would have had the following effects (a 10% strengthening against the USD would have had the opposite effect):

As at	September 30, 2011	December 31, 2010
	\$	\$
CAD	(2,763,878)	(5,897,072)
EUR & CFA	(437,688)	(78,962)
	(3,201,566)	(5,976,034)

The fair value hierarchy of financial instruments measured at fair value on the consolidated statements of financial position is as follows:

As at	September 30, 2011	December 31, 2010	January 1, 2010
	Level 1, \$	Level 1, \$	Level 1, \$
Cash	38,115,355	61,318,213	4,538,551
Government deposits	-	-	108,827

The Company does not have financial instruments that are valued based on Level 2 or Level 3 inputs.

¹ The financial instruments held in EUR and CFA have been presented together as the CFA is pegged to the EUR.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(b) LIQUIDITY RISK

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Company's accounts payable and accrued liabilities are due within one year of the end of the reporting periods. The Company currently has sufficient resources to meet its obligations as they become due as a result of the equity financings which closed on January 26, 2010 and December 21, 2010 (see Note 7(a)) and the private placement that closed on June 30, 2010 (see Note 8). The Company will periodically need to raise funds in the future to continue operations, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

(c) CREDIT RISK

The Company's cash and trade and other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments will fail to discharge their obligations to the Company. The amount of credit risk to which the Company is exposed is insignificant due to cash being held in a Canadian chartered bank and the limited amount of trade and other receivables.

(d) TITLE RISK

Title to mineral property rights involves certain inherent risks due to the potential for problems arising from the ambiguous conveyance history characteristic of many mining properties and from political risk associated with the countries in which the Company carries out its exploration activities. The Company has taken all reasonable steps to ensure it has proper title to its properties. However, no guarantees can be provided that there are no unregistered agreements, claims or defects which may result in the Company's title to its properties being challenged. Furthermore, the Company requires a number of different permits and licenses in order to carry on its business and there can be no assurance that they will be renewed upon expiry. The Company is also subject to the risk that a new mineral exploration permit or mining permit will not be issued upon expiration of the third term of an exploration permit.

13. CAPITAL MANAGEMENT

As at September 30, 2011, the Company's capital consisted of cash of \$38,115,355 and common shares of \$123,511,231 (as at December 31, 2010 – \$61,318,213 and \$122,818,816 respectively).

The Company's primary objectives in managing its capital are to maintain sufficient levels of capital to continue its current exploration, development and other operating activities, and to maintain sufficient financial strength and flexibility to support additional future investments in the development of the Company's mining properties. The Company achieves its objectives by rationally allocating capital in accordance with Management's strategies and periodically raising capital from investors.

The Company's capital structure was modified during the year ended December 31, 2010 in order to meet these objectives. In January 2010, the Company undertook an equity financing at C\$0.75 per share with gross proceeds of C\$10,005,000 (net proceeds of C\$9,155,779) and in December 2010, the Company undertook another equity financing at C\$3.75 per share for gross proceeds of C\$53,906,250 (net proceeds of C\$50,934,774). As well, in August 2010, the Company's warrants were exercised, resulting in the issuance of 250,000 common shares at C\$0.94 per share for gross proceeds of C\$234,000. See Note 7(a) for US\$ equivalents.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

14. COMMITMENTS

As at September 30, 2011, the Company had contractual obligations for drilling activities, social-economic and environmental impact studies, camp construction and facilities costs and equipment purchases in the amount of \$6,585,567 (commitments as at December 31, 2010 – \$3,802,687). The schedule of certain payments is dependent upon the contractors' ability to complete various milestones, however it is expected that the majority of the commitments will be payable during 2011, with the remainder payable during the first quarter of 2012.

Subsequent to September 30, 2011, the Company entered into further contractual obligations in the amount of \$398,710 for drilling activities and airborne geophysical surveys which are expected to be payable during 2011.

15. KEY MANAGEMENT COMPENSATION

The following is a summary of Key Management Personnel and Director compensation in 2011 and 2010:

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Short-term employee compensation and benefits and director fees	424,309	155,831	1,259,358	454,810
Share-based compensation (Note 7(b))	525,983	93,716	2,465,257	339,026
	950,292	249,547	3,724,615	793,836

16. COMPARATIVE FIGURES

Certain comparative figures in the Interim Financial Statements issued earlier in 2011 for the periods ended June 30 and March 31, 2011 and 2010 have been reclassified to be consistent with the current period's presentation.

17. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

IFRS 1, "First-time Adoption of International Financial Reporting Standards" ("IFRS 1"), requires that comparative financial information be provided so as a result, the first date at which the Company has applied IFRS was the Transition Date of January 1, 2010. IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS the Company prepared its consolidated financial statements in accordance with Previous CGAAP. In preparing the Company's opening IFRS consolidated financial statements, the Company has adjusted amounts reported previously in the consolidated financial statements prepared in accordance with Previous CGAAP.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

RECONCILIATION OF EQUITY

As at	December 31, 2010	September 30, 2010	January 1, 2010
	\$	\$	\$
Equity under Previous CGAAP			
Share capital	122,818,816	72,252,225	62,990,088
Contributed surplus	4,547,697	4,129,602	3,783,071
Accumulated other comprehensive income ("AOCI")	483,211	483,211	483,211
Deficit	(30,265,434)	(30,298,953)	(31,580,772)
Total equity under Previous CGAAP	97,584,290	46,566,085	35,675,598
Contributed surplus, effect of transition to IFRS			
Share-based compensation (c)	58,844	118,928	135,495
Change in subsidiary ownership interests (e)	2,413,210	2,413,210	-
	2,472,054	2,532,138	135,495
AOCI, effect of transition to IFRS			
Elimination of cumulative translation adjustment (b)	(483,211)	(483,211)	(483,211)
Foreign currency translation of foreign operations (f)	1,730,892	646,367	-
	1,247,681	163,156	(483,211)
Deficit, effect of transition to IFRS			
Elimination of cumulative translation adjustment (b)	483,211	483,211	483,211
Share-based compensation (c)	(58,844)	(118,928)	(135,495)
Expensing of capitalized exploration costs (d)	(34,973,632)	(32,806,616)	(28,834,896)
Net loss attributable to non-controlling interest (d)	381,450	293,329	-
Reversal of dilution gain (e)	(2,563,535)	(2,563,535)	-
Foreign currency translation of foreign operations (f)	(1,767,598)	(1,078,868)	246,473
	(38,498,948)	(35,791,407)	(28,240,707)
Non-controlling interest, effect of transition to IFRS			
Net loss attributable to non-controlling interest (d)	(381,450)	(293,329)	-
Reclassify non-controlling interest to equity (e)	1,629,136	1,296,555	-
Change in subsidiary ownership interests (e)	(169,832)	150,325	-
Foreign currency translation of foreign operations (f)	150,847	169,853	-
	1,228,701	1,323,404	-
Total equity, effect of transition to IFRS			
Elimination of cumulative translation adjustment (b)	(483,211)	(483,211)	(483,211)
Share-based compensation (c)	58,844	118,928	135,495
Net loss attributable to non-controlling interest (d)	(381,450)	(293,329)	-
Reclassify non-controlling interest to equity (e)	1,629,136	1,296,555	-
Change in subsidiary ownership interests (e)	2,243,378	2,563,535	-
Foreign currency translation of foreign operations (f)	1,881,739	816,220	-
Deficit (b), (c), (d), (e), (f)	(38,498,948)	(35,791,407)	(28,240,707)
	(33,550,512)	(31,772,709)	(28,588,423)
Equity under IFRS			
Share capital	122,818,816	72,252,225	62,990,088
Contributed surplus	7,019,751	6,661,740	3,918,566
Accumulated other comprehensive income	1,730,892	646,367	-
Deficit	(68,764,382)	(66,090,360)	(59,821,479)
Non-controlling interest	1,228,701	1,323,404	-
Total equity under IFRS	64,033,778	14,793,376	7,087,175

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

RECONCILIATION OF THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three months ended September 30, 2010	CGAAP as previously reported	Effect of transition to IFRS	IFRS
	\$	\$	\$
Expenses			
General and administrative (d)	293,284	279,281	572,565
Depreciation and amortization (d)	6,943	52,684	59,627
Share-based compensation (c), (d)	175,745	6,682	182,427
Exploration and project development (d)	-	618,719	618,719
	475,972	957,366	1,433,338
Other income (loss)			
Foreign exchange gain (loss) (f)	137,505	(474,723)	(337,218)
Finance income (f)	15,418	(53)	15,365
	152,923	(474,776)	(321,853)
Net loss	(323,049)	(1,432,142)	(1,755,191)
Net income (loss) attributable to:			
Common shareholders	(336,733)	(1,214,435)	(1,551,168)
Non-controlling interest (d)	13,684	(217,707)	(204,023)
Net loss per common share, basic and diluted	(0.00)	(0.02)	(0.02)
Weighted-average number of common shares outstanding, basic and diluted	67,904,254	-	67,904,254
Other comprehensive income (loss)			
Net loss	(323,049)	(1,432,142)	(1,755,191)
Foreign currency translation gain (f)	-	571,932	571,932
Comprehensive loss	(323,049)	(860,210)	(1,183,259)
Comprehensive income (loss) attributable to:			
Common shareholders	(336,733)	(796,714)	(1,133,447)
Non-controlling interest	13,684	(63,496)	(49,812)

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

RECONCILIATION OF THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the nine months ended September 30, 2010	CGAAP as previously reported	Effect of transition to IFRS	IFRS
	\$	\$	\$
Expenses			
General and administrative (d)	1,024,344	587,702	1,612,046
Depreciation and amortization (d)	20,778	144,350	165,128
Share-based compensation (c), (d)	416,203	67,198	483,401
Exploration and project development (d)	-	3,532,259	3,532,259
	1,461,325	4,331,509	5,792,834
Other income (loss)			
Dilution gain (e)	2,563,535	(2,563,535)	-
Foreign exchange gain (loss) (f)	163,092	(949,047)	(785,955)
Finance income (f)	28,447	62	28,509
Gain on sale of property, plant and equipment (f)	1,754	-	1,754
	2,756,828	(3,512,520)	(755,692)
Net income (loss)	1,295,503	(7,844,029)	(6,548,526)
Net income (loss) attributable to:			
Common shareholders	1,281,819	(7,550,700)	(6,268,881)
Non-controlling interest (d)	13,684	(293,329)	(279,645)
Net income (loss) per common share, basic and diluted	0.02	(0.11)	(0.09)
Weighted-average number of common shares outstanding, basic	66,268,269	-	66,268,269
Weighted-average number of common shares outstanding, diluted	69,026,562	(2,758,293)	66,268,269
Other comprehensive income (loss)			
Net income (loss)	1,295,503	(7,844,029)	(6,548,526)
Foreign currency translation gain (f)	-	816,220	816,220
Comprehensive income (loss)	1,295,503	(7,027,809)	(5,732,306)
Comprehensive income (loss) attributable to:			
Common shareholders	1,281,819	(6,904,333)	(5,622,514)
Non-controlling interest	13,684	(123,476)	(109,792)

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

RECONCILIATION OF THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

The main impact of the transition to IFRS on the consolidated statements of cash flows for the nine months ended September 30, 2010, is an increase of cash flows used in operating activities by \$4,422,699 and a corresponding decrease of cash flows used in investing activities of the same amount. The change is due to the Company's policy under IFRS for mineral exploration costs (see (d) below) which differs from the treatment under Previous CGAAP.

EXPLANATION OF TRANSITION IMPACT

Optional exemptions

The Company applied the following IFRS 1 applicable exemptions in the conversion from Previous CGAAP to IFRS:

(a) Business combinations

IFRS 1 allows first-time adopters to elect to not apply the requirements of IFRS 3, "Business Combinations" ("IFRS 3") retrospectively to business combinations that occurred prior to January 1, 2010. The Company has chosen to apply this election. Accordingly, the Company has retained the same classification as reported under Previous CGAAP for business combinations completed prior to January 1, 2010.

(b) Cumulative translation differences

IFRS 1 allows first-time adopters to elect to eliminate all previously recorded cumulative translation differences related to foreign operations at the Transition Date. The Company has chosen to apply this election. The Company's application of this election has resulted in a decrease to accumulated other comprehensive income of \$483,211, with a corresponding decrease to deficit as at January 1 and December 31, 2010.

(c) Share-based compensation

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, "Share-Based Payments" ("IFRS 2"), to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the Transition Date. The majority of the Company's stock option grants under its 2009 Stock Option Plan were not vested prior to January 1, 2010. The Company has therefore elected to apply IFRS 2 to all stock options granted under the 2009 Stock Option Plan.

IFRS 2 and Previous CGAAP are largely converged, with the exception of two main differences affecting the Company's stock option grants. IFRS 2 does not allow straight-line amortization of compensation expense related to stock options granted with a graded vesting schedule. The attribution method is instead required which effectively splits the grant into separate units for valuation purposes based on the vesting schedule. Additionally, IFRS 2 requires the incorporation of an estimate of forfeiture rates. Under Previous CGAAP, the Company's policy was to account for forfeitures as they occurred.

The Company's application of IFRS 2 has the following impact:

As at	December 31, 2010	January 1, 2010
	\$	\$
Condensed consolidated statements of financial position		
Increase to contributed surplus	58,844	135,495
Increase to deficit	(58,844)	(135,495)

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

	Nine months ended September 30, 2010	Three months ended September 30, 2010
	\$	\$
Condensed consolidated statements of comprehensive loss		
Decrease to share-based compensation expense, and decrease to net loss, and decrease to net loss attributable to common shareholders	(16,567)	(44,911)

Mandatory exceptions

The application of the following mandatory exemptions did not have a financial impact on the Company's condensed consolidated statements of comprehensive loss for the three and nine month periods ended September 30, 2010.

De-recognition of financial assets and liabilities

The Company has applied the de-recognition requirements in IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"), prospectively from the Transition Date. As a result, any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the Transition Date in accordance with Previous CGAAP have not been reviewed for compliance with IAS 39.

Estimates

The estimates made by the Company under Previous CGAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy. As a result, the Company has not used hindsight to revise estimates.

Impacts of policy selection and application of IFRSs

(d) Mineral exploration costs

Similar to Previous CGAAP, IFRS allows the choice of either capitalizing or expensing costs related to mineral exploration. Under Previous CGAAP the Company's policy was to capitalize mineral exploration costs. Capitalized exploration costs included an allocation of directly attributable administrative and support costs, depreciation of property, plant and equipment used for exploration activities and share-based compensation.

Under IFRS, the Company's policy is to charge costs incurred in the exploration phase to expense until certain criteria have been met (see Note 3(h)). Further, only direct costs related to mineral exploration activities are included as part of exploration expenses. The Company's application of this policy has the following impact:

As at	December 31, 2010	January 1, 2010
	\$	\$
Condensed consolidated statements of financial position		
Decrease to interest in exploration properties, and total assets	(34,973,632)	(28,834,896)
Decrease to non-controlling interest	(381,450)	-
Increase to deficit	(34,592,182)	(28,834,896)
Decrease to total equity	(34,973,632)	(28,834,896)

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

	Nine months ended September 30, 2010	Three months ended September 30, 2010
	\$	\$
Condensed consolidated statements of comprehensive loss		
Increase to general and administrative expense	587,702	279,281
Increase to depreciation and amortization expense	144,350	52,684
Increase to share-based compensation expense	83,765	51,593
Increase to exploration and project development expense	3,532,259	618,719
Increase to net loss	(4,348,076)	(1,002,277)
Increase to net loss attributable to:		
Common shareholders	(4,068,431)	(798,254)
Non-controlling interest	(279,645)	(204,023)

(e) Changes in subsidiary ownership interests that do not result in a loss of control

Subsequent to the Transition Date, the main impact to the Company's financial results of the application of IFRS 3 to business combinations has been the accounting for changes in subsidiary ownership interests that do not result in a loss of control (see Note 8).

Under IFRS, non-controlling interest is presented as a component of equity whereas under Previous CGAAP it is not. The reconciliation of equity includes the impact of reclassifying the non-controlling interest Previous CGAAP balance into equity.

On March 2, 2010, under IFRS the Company recorded a non-controlling interest of (\$83,642), with a corresponding addition of \$83,642 to contributed surplus, as part of the transaction whereby NAC acquired a 20% interest in the Company's subsidiary NIRES. Under Previous CGAAP \$nil was allocated to contributed surplus and non-controlling interest for the same transaction. The difference in treatment is largely driven by the fact that under Previous CGAAP, NIRES had capitalized mineral exploration costs that offset its liabilities at the transaction date, whereas under IFRS, the net assets of NIRES were (\$418,211) immediately before the transaction primarily because mineral exploration costs are no longer capitalized (see (d) below). IFRS permits a negative non-controlling interest to be recorded.

On June 30, 2010, under Previous CGAAP the Company recorded a dilution gain, and a corresponding increase to net income, of \$2,563,535 as part of the \$4,806,929 private placement that saw the non-controlling interest of NIRES increased by \$2,243,394, and from 20% to 46.67% ownership. Under IFRS the Company recorded additions of \$2,755,057 to contributed surplus and \$2,051,872 to non-controlling interest. Under IFRS no dilution gain is recorded so the deficit is also \$2,563,535 higher than the treatment under Previous CGAAP for the same transaction.

On September 8, 2010, the Company closed a share purchase agreement to purchase all the outstanding shares of the Company's subsidiary Brighton held by NAC for \$960,523, and under Previous CGAAP recorded \$320,157 in capitalized mineral property acquisition costs, no longer capitalized under IFRS, and a \$640,366 decrease to non-controlling interest. Under IFRS, the Company recorded decreases of \$425,489 to contributed surplus and \$535,034 to non-controlling interest respectively for the same transaction.

Orezone Gold Corporation

(A Development Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

(f) Functional currency determination

Both Previous CGAAP and IFRS require that functional currency be evaluated by legal entity, but the criteria to determine the functional currency of a given entity differs between Previous CGAAP and IFRS. IAS 21, "Changes in Foreign Exchange Rates" ("IAS 21"), outlines the criteria that must be used in determining functional currency by legal entity. Upon application of IAS 21, the Company reached different conclusions as to the functional currency of each of its legal entities. In particular the functional currency of Orezone Gold Corporation is the Canadian dollar under IAS 21, whereas it was the United States dollar under Previous CGAAP. Further, the Company has chosen to retain the United States dollar as its presentation currency (see Note 3(b)). The Company's application of IAS 21 has the following impact:

As at	December 31, 2010	January 1, 2010
	September 30, 2010	September 30, 2010
	\$	\$
Condensed consolidated statements of financial position		
Increase (decrease) to inventories	(596)	76,542
Increase to prepaid expenses and deposits	7,752	1,922
Increase to interests in exploration properties	106,985	168,009
Increase to total assets	114,141	246,473
Increase to accumulated other comprehensive income	1,730,892	-
Decrease (increase) to deficit	(1,767,598)	246,473
Increase to non-controlling interest	150,847	-
Increase to total equity	114,141	246,473
	Nine months ended September 30, 2010	Three months ended September 30, 2010
	\$	\$
Condensed consolidated statements of comprehensive loss		
Increase to foreign exchange loss	(949,047)	(474,723)
Increase (decrease) to finance income	62	(53)
Increase to net loss, and net loss attributable to common shareholders	(948,985)	(474,776)
	Nine months ended September 30, 2010	Three months ended September 30, 2010
	\$	\$
Condensed consolidated statements of comprehensive loss		
Increase to foreign currency translation gain, and decrease to comprehensive loss	816,220	571,932
Decrease to comprehensive loss attributable to:		
Common shareholders	646,367	417,721
Non-controlling interest	169,853	154,211