OREZONE GOLD CORPORATION

(A Development Stage Company)

Condensed Consolidated Interim Financial Statements
(Unaudited, expressed in United States dollars)

For the three and six month periods ended June 30, 2012

Financial Statements

Condensed Consolidated Interim Statements of Financial Position	**2**
Condensed Consolidated Interim Statements of Comprehensive Income (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 – 19**

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in United States dollars)

As at	June 30, 2012	December 31, 2011
	$	$
ASSETS		
Current assets		
Cash	**26,893,297**	28,698,108
Trade and other receivables	**55,690**	53,782
Inventories (Note 6)	**574,311**	546,327
Prepaid expenses and deposits	**498,554**	748,538
Total current assets	**28,021,852**	30,046,755
Non-current assets		
Investment (Note 7)	**11,603,527**	-
Interests in exploration properties (Note 8)	**6,726,039**	6,304,631
Total non-current assets	**18,329,566**	6,304,631
Total assets	**46,351,418**	36,351,386
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**2,069,441**	1,417,732
Equity		
Share capital	**128,565,598**	123,566,961
Contributed surplus (Note 9(c))	**8,981,421**	9,659,164
Foreign currency translation reserve	**1,207,658**	972,461
Investment revaluation reserve	**161,883**	-
Accumulated deficit	**(94,634,583)**	(99,034,665)
Total shareholders' equity	**44,281,977**	35,163,921
Non-controlling interest (Note 10)	**-**	(230,267)
Total equity	**44,281,977**	34,933,654
Total liabilities and equity	**46,351,418**	36,351,386

Commitments (Note 16)

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

Ronald N. Little
Director

Alain Krushnisky
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 Income (Loss)

For the three and six month periods ended June 30, 2012 and 2011

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

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Expenses				
Exploration and evaluation costs, net of recovery (Notes 8 and 11)	**4,772,213**	6,373,868	**12,962,541**	10,223,662
General and administrative costs, net of recovery (Notes 8 and 11)	**893,796**	1,094,040	**1,918,874**	2,031,444
Share-based compensation	**1,226,176**	1,282,663	**1,767,442**	2,119,849
Depreciation and amortization (Note 8)	**293,848**	80,450	**572,686**	160,741
	7,186,033	8,831,021	**17,221,543**	14,535,696
Other income (loss)				
Foreign exchange gain (loss)	**(19,957)**	6,159	**(86,553)**	(137,504)
Finance income	**61,692**	127,594	**133,122**	288,612
Finance expense	**(3,854)**	(5,552)	**(8,094)**	(10,046)
Gain on sale of Sega project (Note 8)	**25,953,888**	-	**25,953,888**	-
Gain on sale of PP&E (Note 8)	**256,607**	-	**256,607**	-
Other income (loss) before tax	**26,248,376**	128,201	**26,248,970**	141,062
Income tax expense (Note 12)	**(1,871,888)**	-	**(1,871,888)**	-
Other income (loss) after tax	**24,376,488**	128,201	**24,377,082**	141,062
Net income (loss) for the period	**17,190,455**	(8,702,820)	**7,155,539**	(14,394,634)
Net income (loss) for the period attributable to:				
Common shareholders	**17,190,455**	(8,197,057)	**7,495,275**	(13,432,597)
Non-controlling interest	**-**	(505,763)	**(339,736)**	(962,037)
Net income (loss) per common share, basic	**0.20**	(0.10)	**0.09**	(0.16)
Net income (loss) per common share, diluted	**0.19**	(0.10)	**0.09**	(0.16)
Weighted-average number of common shares outstanding, basic	**85,624,531**	83,016,780	**84,731,916**	82,954,092
Dilutive effect of stock options	**2,668,101**	-	**3,270,525**	-
Weighted-average number of common shares outstanding, diluted	**88,292,632**	83,016,780	**88,002,441**	82,954,092
Other comprehensive income (loss)				
Net income (loss) for the period	**17,190,455**	(8,702,820)	**7,155,539**	(14,394,634)
Net change in fair value of available-for-sale financial assets, net of tax	**161,883**	-	**161,883**	-
Foreign currency translation (loss) gain	**(409,300)**	517,691	**223,647**	2,193,057
Comprehensive income (loss)	**16,943,038**	(8,185,129)	**7,541,069**	(12,201,577)
Comprehensive income (loss) attributable to:				
Common shareholders	**16,943,038**	(7,706,355)	**7,892,355**	(11,326,548)
Non-controlling interest	**-**	(478,774)	**(351,286)**	(875,029)

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 six month periods ended June 30, 2012 and 2011

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

	Share capital		Contributed surplus (Note 9(c))	Foreign currency translation reserve	Investment revaluation reserve	Accumulated deficit	Non-controlling interest	Total
	Shares	Amount						
	#	$	$	$	$	$	$	$
Balance, January 1, 2012	83,724,531	123,566,961	9,659,164	972,461	-	(99,034,665)	(230,267)	34,933,654
Stock options exercised	82,000	71,787	(31,975)	-	-	-	-	39,812
Change in subsidiary ownership interests (Note 10)	1,818,000	4,926,850	(2,413,210)	-	-	(3,095,193)	581,553	-
Share-based compensation	-	-	1,767,442	-	-	-	-	1,767,442
Net change in the fair value of available-for-sale financial assets, net of tax	-	-	-	-	161,883	-	-	161,883
Foreign currency translation	-	-	-	235,197	-	-	(11,550)	223,647
Net income (loss) for the period	-	-	-	-	-	7,495,275	(339,736)	7,155,539
Balance, June 30, 2012	**85,624,531**	**128,565,598**	**8,981,421**	**1,207,658**	**161,883**	**(94,634,583)**	**-**	**44,281,977**
Balance, January 1, 2011	82,868,031	122,818,816	7,019,751	1,730,892	-	(68,764,382)	1,228,701	64,033,778
Stock options exercised	562,000	497,500	(259,641)	-	-	-	-	237,859
Share-based compensation	-	-	2,119,849	-	-	-	-	2,119,849
Foreign currency translation	-	-	-	2,106,049	-	-	87,008	2,193,057
Net loss for the period	-	-	-	-	-	(13,432,597)	(962,037)	(14,394,634)
Balance, June 30, 2011	83,430,031	123,316,316	8,879,959	3,836,941	-	(82,196,979)	353,672	54,189,909

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 six month periods ended June 30, 2012 and 2011

(Unaudited, expressed in United States dollars)

	2012	2011
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	**7,155,539**	(14,394,634)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization (Note 8)	**572,686**	160,741
Share-based compensation	**1,767,442**	2,119,849
Gain on sale of Sega project (Note 8)	**(25,953,888)**	-
Gain on sale of PP&E (Note 8)	**(256,607)**	-
Finance income	**(133,122)**	(288,612)
Finance expense	**8,094**	10,046
Interest paid	**(8,094)**	(10,046)
Income tax	**1,871,888**	(34,777)
Changes in non-cash operating working capital (Note 13)	**871,246**	1,043,420
Total cash outflows from operating activities	**(14,104,816)**	(11,394,013)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 8)	**(1,169,659)**	(1,777,298)
Net cash proceeds from sale of the Sega project (Note 8)	**14,917,135**	-
Income taxes paid on sale of Sega project (Note 8)	**(1,871,888)**	-
Interest received	**131,390**	278,566
Total cash inflows (outflows) from investing activities	**12,006,978**	(1,498,732)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs (Note 13)	**(28,342)**	(98,776)
Proceeds from exercise of stock options	**39,812**	237,759
Total cash inflows from financing activities	**11,470**	138,983
Effect of foreign currency translation on cash	**281,557**	2,039,189
Decrease in cash	**(1,804,811)**	(10,714,573)
Cash, beginning of period	**28,698,108**	61,318,213
Cash, end of period	**26,893,297**	50,603,640

Supplemental cash flow information is provided in Note 13.

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

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 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 is in the process of determining 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

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").

These Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011 ("2011 Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2011 Annual Financial Statements, except for the policies for available-for-sale financial assets and impairment of financial and non-financial assets, as described in Note 3(a), which only became applicable to the Company subsequent to December 31, 2011.

These Interim Financial Statements are presented in United States dollars, unless otherwise indicated.

These Interim Financial Statements were authorized for issue by the Board of Directors on August 14, 2012.

The preparation of financial statements in accordance with IFRS requires Management to make certain critical accounting estimates and 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 these Interim Financial Statements are disclosed in Note 5.

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 adopted in these Interim Financial Statements are consistent with those followed in the preparation of the Company's 2011 Annual Financial Statements, except as noted below:

(a) AVAILABLE-FOR-SALE FINANCIAL ASSETS

The company's investment in equity securities is designated as an available-for-sale financial asset and recorded at fair value on the trade date. Changes in fair value of available-for-sale investments are recognized in other comprehensive income (fair value reserve) until investments are disposed of or when there is objective evidence of an impairment in value, at which point accumulated gains and losses in the fair value reserve are transferred to earnings.

(b) IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

The Company assesses financial assets including investments available-for-sale and 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). An impairment loss in respect of investments is calculated by reference to its fair value.

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.

(c) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED

The Company's adoption of the following new standards and amendments as of January 1, 2012 did not have any impact on the financial position or performance of the Company:

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.

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.

The remaining standards, amendments and interpretations issued but not yet effective up to the date of the issuance of the 2011 Annual Financial Statements have not been early adopted in these Interim Financial Statements.

(d) STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The following remaining standards, amendments and interpretations issued but not yet effective up to the date of the issuance of these Interim Financial Statements, as described in the 2011 Annual Financial Statements, have not been early adopted in these Interim Financial Statements:

- IFRS 7, "Financial Instruments: Disclosures"
- IFRS 9, "Financial Instruments"
- IFRS 10, "Consolidated Financial Statements"
- IFRS 11, "Joint Arrangements"
- IFRS 12, "Disclosure of Interests in Other Entities"
- IFRS 13, "Fair Value Measurement"
- IAS 1, "Presentation of Financial Statements"
- IAS 19, "Employee Benefits"
- IAS 27, "Separate Financial Statements"
- IAS 28, "Investments in Associates and Joint Ventures"

- IAS 32, "Financial Instruments: Presentation"
- International Financial Reporting Interpretations Committee 20, "Stripping Costs in the Production Phase of a Surface Mine"

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.

4. CHANGE IN ACCOUNTING ESTIMATES

On April 1, 2011 the Company 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 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 $38,956 and $82,124 for the three and six month periods ended June 30, 2012 respectively (2011 – $55,323 and $55,323 respectively). As at June 30, 2012, the total impact on net income (loss) in future years resulting from this change in estimate will be to spread the remaining impacted unamortized asset balance of $403,424 to depreciation and amortization expense over a weighted-average amortization term of 3.6 years (0.6 years prior to the change) until the impacted assets are fully depreciated. There was no impact on the earnings or loss per share amounts for the three and six month periods ended June 30, 2012 or 2011.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these 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 year of change and future years 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 including 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 carrying values of non-financial assets.

6. INVENTORIES

The cost of material and supplies inventories recognized as an expense during the three and six month periods ended June 30, 2012 is $394,596 and $1,058,938 respectively (2011 – $624,670 and $904,348 respectively). There were no write-downs or reversals of write-downs of inventories to net realizable value during the first two quarters of 2012 or 2011. As at June 30, 2012, no specific inventories are pledged as security for liabilities.

7. INVESTMENT

The company's investments consist entirely of 11 M ordinary common shares of Cluff Gold plc ("Cluff") acquired as part of the sale of the Sega project (see Note 8). The shares are classified as available for sale and are subject to a standard four-month hold period from May 23, 2012, as well as orderly marketing arrangements for a period of two years.

(Unaudited, expressed in United States dollars)

8. INTERESTS IN EXPLORATION PROPERTIES

Assets not subject to depreciation and amortization	Land	Mineral property rights	Construction in progress	Total
	$	$	$	$
Cost, being carrying amount				
Balance, January 1, 2011	331,967	1,377,082	-	1,709,049
Additions	-	-	128,758	128,758
Foreign currency translation	(20,611)	(35,099)	(1,861)	(57,571)
Balance, December 31, 2011	311,356	1,341,983	126,897	1,780,236
Transfer to depreciable property	-	-	(128,758)	(128,758)
Additions	-	-	6,442	6,442
Disposals	-	(16,527)	-	(16,527)
Foreign currency translation	(7,246)	(13,100)	1,811	(18,535)
Balance, June 30, 2012	**304,110**	**1,312,356**	**6,392**	**1,622,858**

Assets subject to depreciation and amortization	Building	Capital improve-ments	Field equipment	Vehicles	Office equipment and furniture	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2011	920,803	77,285	256,914	-	102,524	1,357,526
Additions	1,160,119	1,472,430	1,441,667	255,177	78,871	4,408,264
Foreign currency translation	(90,435)	(154,876)	(49,041)	(18,530)	(6)	(312,888)
Balance, December 31, 2011	1,990,487	1,394,839	1,649,540	236,647	181,389	5,452,902
Additions	409,966	48,693	534,174	293,507	5,635	1,291,975
Disposals	(33,195)	-	(21,234)	(4,194)	-	(58,623)
Foreign currency translation	(57,965)	(33,570)	(25,943)	(17,155)	(2,471)	(137,104)
Balance, June 30, 2012	**2,309,293**	**1,409,962**	**2,136,537**	**508,805**	**184,553**	**6,549,150**
Accumulated depreciation and amortization						
Balance, January 1, 2011	166,687	10,380	175,263	-	71,472	423,802
Depreciation for the year	154,536	215,394	105,455	42,012	31,204	548,601
Foreign currency translation	(12,997)	(14,741)	(22,280)	(2,991)	9,113	(43,896)
Balance, December 31, 2011	308,226	211,033	258,438	39,021	111,789	928,507
Depreciation for the period	110,218	203,562	200,794	44,825	12,887	572,286
Disposals	(2,540)	-	(21,661)	(624)	-	(24,825)
Foreign currency translation	(9,261)	(9,735)	(7,988)	(1,732)	(1,283)	(29,999)
Balance, June 30, 2012	**406,643**	**404,860**	**429,583**	**81,490**	**123,393**	**1,445,969**
Carrying amounts as at:						
December 31, 2011	1,682,261	1,183,806	1,391,102	197,626	69,600	4,524,395
June 30, 2012	**1,902,650**	**1,005,102**	**1,706,954**	**427,315**	**61,160**	**5,103,181**

(Unaudited, expressed in United States dollars)

	Six months ended June 30, 2012	Year ended December 31, 2011
	$	$
Cost, beginning of period	**7,233,138**	3,066,575
Additions	**1,169,659**	4,537,022
Disposals	**(75,150)**	-
Foreign currency translation	**(155,639)**	(370,459)
Cost, end of period	**8,172,008**	7,233,138
Accumulated depreciation and amortization, beginning of period	**928,507**	423,802
Depreciation and amortization	**572,286**	548,601
Disposals	**(24,825)**	-
Foreign currency translation	**(29,999)**	(43,896)
Accumulated depreciation and amortization, end of period	**1,445,969**	928,507
Carrying amounts, beginning of period	**6,304,631**	2,642,773
Carrying amounts, end of period	**6,726,039**	6,304,631

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 June 30, 2012:

	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	n/a and 07/20	n/a[3]
Bondi	1	224	08/12	08/15	n/a
Brighton, Niger (Uranium)	3	1,473	11/12, 10/12 and 10/12	11/18, 10/18 and 10/18	05/27, 04/27 and 04/27
	6	**1,865**			

[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.

[3] The Company intends to apply for a mining convention prior to the final expiry of the Bomboré permit.

(Unaudited, expressed in United States dollars)

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

As at	**June 30, 2012**	December 31, 2011
	$	$
Burkina Faso		
Bomboré	**912,016**	915,357
Sega	**-**	16,749
Bondi	**177,923**	182,162
Total Burkina Faso	**1,089,939**	1,114,268
Brighton, Niger (Uranium)	**222,417**	227,715
Total mineral property rights	**1,312,356**	1,341,983

In the event that a mining permit is granted for a project in Burkina Faso, a sliding net smelter royalty ("NSR") of between 3% and 5% applies. In addition, the Government retains a 10% carried interest in the local entity holding the mining permit in the event one is granted.

Bomboré, Burkina Faso

The Bomboré (105 km^2) and the Toéyoko (63 km^2) 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.

Sega, Burkina Faso

The Sega project consists of the Tiba (124 km^2) and Namasa (189 km^2) permits.

On May 23, 2012 (the "Closing Date"), the Company completed the sale of the Sega project to Cluff for consideration consisting of $15 M in cash and 11 M new common shares of Cluff (the "Sega Transaction"). Under the terms of the Sega Transaction, Cluff acquired the Tiba and Namasa exploration permits as well as the Sega exploration camp and data accumulated from exploration work completed on related predecessor permits. Cluff has also assumed a 3% NSR due to Royal Gold as well as all Burkina Faso Government interests, including the standard sliding scale NSR and 10% carried interest held by the Government of Burkina Faso once a mining permit is granted. The Company recorded a gain on the sale of the permit in the amount of $24,082,000, net of income taxes paid to the Government of Burkina Faso upon closing of $1,871,888, as well as a gain on the sale of the related camp and certain assets in the amount of $256,607. Upon closing of the Sega Transaction, Cluff reimbursed the Company for all costs associated with the completion of a 10,000 meter RC drill program at Sega that commenced in 2012. The recovery of $551,789 is shown net of the Sega expenses for the three and six month periods ended June 30, 2012.

Bondi, Burkina Faso

The Bondi project consists of the Djarkadougou (224 km^2) permit, which is located in the Bougouriba province and expires in August 2012. The Company owns a 100% interest in the permit. This permit may be renewed for one more consecutive three-year term. The Company has submitted all required documents for renewal and has received formal approval from the Government of Burkina Faso in August 2012.

Brighton, Niger (Uranium)

The Company, through its wholly-owned subsidiary Brighton Energy Corporation ("Brighton"), has three uranium exploration permits in Niger. Zéline 1 (482 km^2) and Zéline 4 (500 km^2) expire in October 2012 and may be renewed for two more three-year terms with permit size reductions. The Assaouas 1 (491 km^2) permit expires in November 2012. This permit may be renewed for two more three-year terms with permit size reductions. The Company also holds Mining Conventions relating to these three permits with terms of 20 years, which are renewable until the reserves are exhausted.

In March 2012, the Company acquired the outstanding minority interest, representing 33% of the then issued and outstanding shares of Brighton, and increased its ownership in Brighton to 100% as described in Note 10.

In April 2012, Management decided to abandon the Abelajouad and Assaouas 2 permits due to negative exploration results. No impairment losses were realized as a result of the abandonment of these permits.

Subsequent to June 30, 2012, Management decided to abandon the Zéline 4 permit. No impairment losses will be realized as a result of the abandonment of this permit.

9. SHARE CAPITAL

(a) CAPITAL STOCK

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

On March 29, 2012, the Company completed the Brighton Exchange transaction that resulted in the issuance of 1,818,000 common shares at a volume-weighted average price of C$2.71 per share, as described in Note 10. As a result of the transaction, the Company recorded C$4,904,797 (US$4,926,850) as an increase to share capital.

(b) COMMON SHARE PURCHASE WARRANTS

On October 4, 2010, the Board of Orezone Inc. 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 June 30, 2012 and December 31, 2011 included a $66,801 reserve related to the 2010 Brighton Warrants.

(Unaudited, expressed in United States dollars)

(c) CONTRIBUTED SURPLUS

The net change in the components of contributed surplus from January 1, 2011 to June 30, 2012 was as follows:

Net change attributable to:	Stock options	Changes in subsidiary ownership interests	Common share purchase warrants	Total contributed surplus
	$	$	$	**$**
Balance, January 1, 2011	4,539,740	2,413,210	66,801	7,019,751
Stock options exercised	(361,155)	-	-	(361,155)
Share-based compensation	3,000,568	-	-	3,000,568
Balance, December 31, 2011	7,179,153	2,413,210	66,801	9,659,164
Stock options exercised	(31,975)	-	-	(31,975)
Share-based compensation	1,767,442	-	-	1,767,442
Changes in subsidiary ownership interests (Note 10)	-	(2,413,210)	-	(2,413,210)
Balance, June 30, 2012	**8,914,620**	**-**	**66,801**	**8,981,421**

(d) 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 non-employees 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 five to ten years. As at June 30, 2012, based on the Company's total common shares outstanding, a total of 8,562,453 stock options may be issued and outstanding. Based on this, the Company can grant up to 157,053 additional stock options beyond what was issued and outstanding as at June 30, 2012. Prior to grant, TSX approval is required to reserve the related common shares for issuance. The Plan must be reapproved by the Company's shareholders every three years in accordance with the rules of the TSX. The Plan was approved by the Company's shareholders at its annual general meeting held May 24, 2012.

(Unaudited, expressed in United States dollars)

Stock option activity for the period from January 1, 2011 to June 30, 2012 was as follows:

Grant date	Expiry date	Exercise price	Opening balance	Activity during the period: Granted	Exercised	Forfeited	Closing balance	Vested and exercisable	Unvested
		C$	#	#	#	#	#	#	#
05/15/2009	03/25/2019	$0.36	1,310,000	-	185,000	-	1,125,000	1,125,000	-
05/26/2009	05/26/2019	$0.40	2,517,500	-	467,500	-	2,050,000	2,050,000	-
07/23/2009	07/23/2019	$0.52	225,000	-	225,000	-	-	-	-
07/08/2010	07/08/2020	$0.85	525,000	-	61,000	25,500	438,500	30,000	408,500
10/21/2010	10/21/2020	$2.35	300,000	-	-	100,000	200,000	200,000	-
11/16/2010	11/16/2020	$3.65	50,000	-	-	-	50,000	33,000	17,000
02/09/2011	02/09/2021	$4.00	-	1,055,000	-	245,000	810,000	270,000	540,000
04/05/2011	04/05/2021	$4.85	-	600,000	-	-	600,000	400,000	200,000
06/22/2011	06/22/2021	$4.25	-	150,000	-	-	150,000	100,000	50,000
12/23/2011	12/23/2021	$3.75	-	909,000	-	-	909,000	-	909,000
04/27/2012	04/27/2017	$1.70	-	2,017,900	-	-	2,017,900	672,638	1,345,262
05/14/2012	05/14/2017	$1.70	-	55,000	-	-	55,000	48,334	6,666
Totals			4,927,500	4,786,900	938,500	370,500	8,405,400	4,928,972	3,476,428
Weighted average exercise price			C$0.59	C$3.07	C$0.45	C$3.34	C$1.90	C$1.32	C$2.72

The grant date fair value is calculated using the Black-Scholes option valuation model. The Black-Scholes option pricing model input factors used for stock options granted between January 1, 2011 and June 30, 2012 were as follows:

Grant date	Expiry date	Grant date market price	Exercise price	Weighted average value per stock option: Risk-free interest rate	Expected life	Expected volatility	Dividend yield	Grant date fair value
		C$	C$		(in years)			C$
02/09/2011	02/09/2021	3.77	4.00	2.24%	3.9	85.42%	0%	2.30
04/05/2011	04/05/2021	4.83	4.85	2.38%	4.0	84.02%	0%	2.98
06/22/2011	06/22/2021	3.59	4.25	2.68%	2.0	82.07%	0%	1.41
12/23/2011	12/23/2021	2.53	3.75	1.31%	3.5	81.53%	0%	1.20
04/27/2012	04/27/2017	1.69	1.70	1.43%	3.3	80.87%	0%	0.93
05/14/2012	05/14/2017	1.41	1.70	1.43%	2.0	83.62%	0%	0.56
Weighted average for period		2.76	3.07	1.74%	3.5	82.46%	0%	1.55

As at June 30, 2012, there was $2,170,057 (as at December 31, 2011 – $2,123,947) 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 term of 1.21 years.

Brighton Energy Corporation

On December 22, 2010, the Board of Directors of Brighton approved the Brighton 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 non-employees 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 June 30, 2012, a total of 1,500,000 options may be issued in relation to Brighton's issued and outstanding shares. Up to and including June 30, 2012 there have been 1,500,000 stock options issued, 125,000 of those options have been forfeited which leaves 125,000 additional stock options that may be granted by Brighton. As at June 30, 2012, 1,375,000 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 8.48 years.

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 June 30, 2012 none of the vesting conditions for the Brighton options have been met.

No share-based compensation costs have been recorded for the three and six month periods ended June 30, 2012 or the year ended December 31, 2011 related to the Brighton options since the conditions for vesting have not yet been met. During the three and six month periods ended June 30, 2012, no stock options were forfeited (year ended December 31, 2011 – 125,000, with a weighted-average exercise price of C$1.00).

10. NON-CONTROLLING INTEREST

On March 29, 2012 the Company acquired 5,000,000 common shares of Brighton, representing the remaining 33% minority interest in Brighton (the "Brighton Exchange"). Under the terms of the Brighton Exchange, each minority shareholder received approximately 0.36 free-trading common shares of the Company in exchange for each share of Brighton held, resulting in 1,818,000 new common shares of the Company being issued. The exchange ratio was determined using a value of C$1.00 per share for the shares of Brighton and C$2.75 per share for the shares of the Company. Upon completion of the Brighton Exchange, the Company, together with its subsidiary, owns 100% of Brighton and its wholly-owned subsidiaries Brighton Energy Limited and Niger Resources Inc.

The net proceeds for the Brighton Exchange were computed using an average C$2.71 per share volume-weighted average price for the Company's shares based on the execution dates of the definitive share agreements and resulted in combined net proceeds of C$4,904,797 (US$4,926,850), recorded as an increase to share capital. As a result of the Brighton Exchange, the Company reversed the historical contributed surplus reserve associated with previous Brighton transactions of US$2,413,210 and eliminated the remaining negative non-controlling interest at March 29, 2012 of (US$581,553), with the remaining proceeds of US$3,095,193 recorded as an increase to accumulated deficit.

(Unaudited, expressed in United States dollars)

11. NATURE OF EXPENSES

The components of exploration and evaluation costs and general and administrative costs for 2012 and 2011 were as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2012	2011	**2012**	2011
	$	$	**$**	$
Drilling and assaying	**3,561,911**	4,439,209	**10,741,343**	7,195,436
General, camp, infrastructure and other	**625,297**	630,418	**1,188,022**	1,002,290
Exploration and development studies	**378,914**	217,773	**607,592**	667,083
Exploration surveys	**206,091**	1,086,468	**425,584**	1,358,853
Total exploration and evaluation costs	**4,772,213**	6,373,868	**12,962,541**	10,223,662
Salaries and employee costs	**518,442**	678,053	**1,080,024**	1,099,598
Investor relations and travel	**136,376**	146,308	**294,345**	270,458
General and office costs	**104,804**	100,726	**235,418**	265,891
Public company costs	**82,161**	105,226	**183,154**	237,006
Professional fees	**52,013**	63,727	**125,933**	158,491
Total general and administrative costs	**893,796**	1,094,040	**1,918,874**	2,031,444

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and six month periods ended June 30, 2012 was $1,374,623 and $2,756,262 respectively (2011 – $1,349,854 and $2,218,010 respectively).

Total general and administrative expense ("G&A") above included both the Company's head office G&A and local office G&A related to operating the Company's subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, director compensation, investor 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 six month periods ended June 30, 2012 was $645,304 and $1,352,233 respectively (2011 – $828,529 and $1,499,465 respectively).

12. INCOME TAXES

At December 31, 2011, the Company had $2,240,433 of deferred tax assets relating to its Sega project. These assets were not recognized as it was not considered probable that sufficient future taxable profit would be generated to allow these assets to be recovered. However, the Company was able to use $857,582 of these assets to reduce its taxes owing on the sale of its Sega project (see Note 8). Taxes payable on the transaction were $1,871,888.

The remaining deferred tax asset balance of $1,382,851 expired unused and no resource-related deductions regarding Sega remain.

(Unaudited, expressed in United States dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the six month period ended June 30 were as follows:

	2012	2011
	$	$
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**(4,944)**	(111,781)
Inventories	**(40,932)**	(127,729)
Prepaid expenses and deposits	**242,875**	(1,057,744)
Accounts payable and accrued liabilities	**674,247**	2,340,674
	871,246	1,043,420
Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to finance income	**2,893**	(8,190)
Changes in non-cash working capital impacting cash flows from financing activities were as follows:		
Accounts payable and accrued liabilities, related to share issuance costs	**77**	(98,776)

14. 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, as carried out through Orezone Inc.

The carrying amounts of interests in exploration properties segmented by geographic area were as follows:

As at	**June 30, 2012**	December 31, 2011
	$	$
Canada	**22,993**	23,992
Burkina Faso	**6,285,752**	5,844,559
Niger	**417,294**	436,080
	6,726,039	6,304,631

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

	Six months ended June 30, 2012	Six months ended June 30, 2011
	$	$
Canada	**5,635**	3,608
Burkina Faso	**1,164,024**	1,744,048
Niger	**-**	29,642
	1,169,659	1,777,298

15. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments and exposure to financial risks in these Interim Financial Statements are consistent with the discussion in Note 13 of the 2011 Annual Financial Statements, except as updated below.

The following taxes receivable and payable balances included in the consolidated statements of financial position do not meet the definition of a financial instrument, and are thus excluded from the analysis of financial instruments and risk that follows:

As at	June 30, 2012	December 31, 2011
	$	$
Taxes receivable, included in trade and other receivables	**22,014**	20,514
Taxes payable, included in accounts payable and accrued liabilities	**145,985**	102,893

(a) FOREIGN 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"), Communauté Financière Africaine francs ("CFA") and Great Britain Pounds ("GBP"). 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.

The USD equivalent of the Company's financial instruments by originating denomination currency was as follows:

As at June 30, 2012	USD	CAD	EUR & CFA[1]	GBP	Total
	$	$	$	$	$
Financial assets					
Cash	382,579	25,529,124	981,594	-	26,893,297
Trade and other receivables	197	33,479	-	-	33,676
Deposits	-	-	67,842	-	67,842
Investment (classified as available-for-sale)	-	-	-	11,603,527	11,603,527
	382,776	25,562,603	1,049,436	11,603,527	38,598,342
Financial liabilities					
Accounts payable and accrued liabilities	156,155	808,629	958,672	-	1,923,456
Net financial instruments, June 30, 2012	**226,621**	**24,753,974**	**90,764**	**11,603,527**	**36,674,886**

As at December 31, 2011	USD	CAD	EUR & CFA[1]	GBP	Total
	$	$	$	$	$
Financial assets					
Cash	2,768,540	24,382,320	1,547,248	-	28,698,108
Trade and other receivables	795	32,473	-	-	33,268
Deposits	-	-	74,480	-	74,480
	2,769,335	24,414,793	1,621,728	-	28,805,856
Financial liabilities					
Accounts payable and accrued liabilities	40,649	171,089	1,103,101	-	1,314,839
Net financial instruments, December 31, 2011	**2,728,686**	**24,243,704**	**518,627**	-	**27,491,017**

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

(Unaudited, expressed in United States dollars)

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	June 30, 2012	December 31, 2011
	$	$
CAD	(2,475,397)	(2,424,370)
EUR & CFA	(9,076)	(51,863)
GBP	(1,160,353)	-
	(3,644,826)	(2,476,233)

As at June 30, 2012, the fair value hierarchy of financial instruments measured at fair value consisted of the Company's cash and investment balances, which were valued based on Level 1 inputs. The Company does not have financial instruments that are valued based on Level 2 or Level 3 inputs.

16. COMMITMENTS

As at June 30, 2012, the Company had contractual obligations for drilling activities, feasibilty costs, sample analysis and laboratory management services, metallurgical services, audit fees, environmental impact studies, construction and facilities costs and equipment rentals in the amount of $2,096,116 (as at December 31, 2011 – $3,801,867). 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 the second half of 2012.

Subsequent to June 30, 2012, the Company entered into further contractual obligations in the amount of $369,535 for consulting, water supply and geomechanic studies and various other expenditures, which are expected to be payable during the second half of 2012.

As at December 31, 2011, the contractual obligations of the Company included $296,608 of commitments related to a 10,000 meter reverse circulation ("RC") drill program at Sega which was recovered from Cliff Gold plc, as described in Note 8.

17. KEY MANAGEMENT COMPENSATION

Key Management Personnel and Director compensation 2012 and 2011 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
	$	$	$	$
Short-term employee compensation and benefits and director fees	360,453	504,522	736,400	835,049
Share-based compensation	952,497	1,231,464	1,408,282	1,939,274
	1,312,950	1,735,986	2,144,682	2,774,323