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, 2012

Financial Statements

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in United States dollars)

As at	September 30, 2012	December 31, 2011
	$	$
ASSETS		
Current assets		
Cash	**23,629,073**	28,698,108
Trade and other receivables	**54,119**	53,782
Inventories (Note 6)	**593,151**	546,327
Prepaid expenses and deposits	**422,525**	748,538
Total current assets	**24,698,868**	30,046,755
Non-current assets		
Investment (Note 7)	**14,284,343**	-
Interests in exploration properties (Note 8)	**6,700,566**	6,304,631
Total non-current assets	**20,984,909**	6,304,631
Total assets	**45,683,777**	36,351,386
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**1,964,800**	1,417,732
Equity		
Share capital	**128,565,598**	123,566,961
Reserves	**15,405,117**	10,631,625
Accumulated deficit	**(100,251,738)**	(99,034,665)
Total shareholders' equity	**43,718,977**	35,163,921
Non-controlling interest (Note 10)	**-**	(230,267)
Total equity	**43,718,977**	34,933,654
Total liabilities and equity	**45,683,777**	36,351,386

Commitments (Note 16)
Subsequent events (Notes 8 and 16)

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

/s/ Ronald N. Little

Ronald N. Little
Director

/s/ Alain Krushnisky

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 nine month periods ended September 30, 2012 and 2011

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Expenses				
Exploration and evaluation costs, net of recovery (Notes 8 and 11)	**3,244,708**	7,519,221	**16,207,249**	17,742,883
General and administrative costs, net of recovery (Notes 8 and 11)	**797,834**	1,076,387	**2,716,708**	3,107,831
Share-based compensation	**1,354,071**	630,153	**3,121,513**	2,750,002
Depreciation and amortization (Note 8)	**293,472**	176,327	**866,158**	337,068
	5,690,085	9,402,088	**22,911,628**	23,937,784
Other income				
Foreign exchange gain (loss)	**4,857**	219,704	**(81,696)**	82,200
Finance income	**71,341**	112,550	**204,463**	401,162
Finance expense	**(3,268)**	(4,925)	**(11,362)**	(14,971)
Gain on sale of Sega project (Note 8)	**-**	-	**25,953,888**	-
Gain on sale of PP&E (Note 8)	**-**	-	**256,607**	-
Other income before tax	**72,930**	327,329	**26,321,900**	468,391
Income tax recovery (expense) (Note 12)	**-**	5,341	**(1,871,888)**	5,341
Other income after tax	**72,930**	332,670	**24,450,012**	473,732
Net income (loss) for the period	**(5,617,155)**	(9,069,418)	**1,538,384**	(23,464,052)
Net income (loss) for the period attributable to:				
Common shareholders	**(5,617,155)**	(8,777,028)	**1,878,120**	(22,209,625)
Non-controlling interest	**-**	(292,390)	**(339,736)**	(1,254,427)
Net income (loss) per common share, basic and diluted	**(0.07)**	(0.11)	**0.02**	(0.27)
Weighted-average number of common shares outstanding, basic	**85,624,531**	83,496,091	**85,237,637**	83,136,744
Dilutive effect of stock options (Note 9)	**-**	-	**3,073,311**	-
Weighted-average number of common shares outstanding, diluted	**85,624,531**	83,496,091	**88,310,948**	83,136,744
Other comprehensive income (loss)				
Net income (loss) for the period	**(5,617,155)**	(9,069,418)	**1,538,384**	(23,464,052)
Net change in fair value of available-for-sale financial assets, net of tax (Note 12)	**2,484,926**	-	**2,646,809**	-
Foreign currency translation gain (loss)	**1,215,158**	(3,453,459)	**1,438,805**	(1,260,402)
Comprehensive income (loss)	**(1,917,071)**	(12,522,877)	**5,623,998**	(24,724,454)
Comprehensive income (loss) attributable to:				
Common shareholders	**(1,917,071)**	(12,221,403)	**5,975,284**	(23,547,951)
Non-controlling interest	**-**	(301,474)	**(351,286)**	(1,176,503)

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, 2012 and 2011
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves						
	Shares	Amount	Share-based payments (Note 9(b))	Foreign currency translation	Investment revaluation	Changes in subsidiary ownership interests	Accumulated deficit	Non-controlling interest	Total
	#	$	$	$	$	$	$	$	$
Balance, January 1, 2012	83,724,531	123,566,961	7,245,954	972,461	-	2,413,210	(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	-	-	3,121,513	-	-	-	-	-	3,121,513
Net change in the fair value of available-for-sale financial assets, net of tax (Note 12)	-	-	-	-	2,646,809	-	-	-	2,646,809
Foreign currency translation	-	-	-	1,598,589	(148,234)	-	-	(11,550)	1,438,805
Net income (loss) for the period	-	-	-	-	-	-	1,878,120	(339,736)	1,538,384
Balance, September 30, 2012	**85,624,531**	**128,565,598**	**10,335,492**	**2,571,050**	**2,498,575**	**-**	**(100,251,738)**	**-**	**43,718,977**
Balance, January 1, 2011	82,868,031	122,818,816	4,606,541	1,730,892	-	2,413,210	(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 for the period	-	-	-	-	-	-	(22,209,625)	(1,254,427)	(23,464,052)
Balance, September 30, 2011	83,657,531	123,511,231	7,022,248	392,566	-	2,413,210	(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, 2012 and 2011
(Unaudited, expressed in United States dollars)

	2012	2011
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	**1,538,384**	(23,464,052)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization (Note 8)	**866,158**	337,068
Share-based compensation	**3,121,513**	2,750,002
Gain on sale of Sega project (Note 8)	**(25,953,888)**	-
Gain on sale of PP&E (Note 8)	**(256,607)**	-
Finance income	**(204,463)**	(401,162)
Finance expense	**11,362**	14,971
Interest paid	**(11,362)**	(14,971)
Income tax paid	**-**	(29,436)
Income tax expense (recovery)	**1,871,888**	(5,341)
Changes in non-cash operating working capital (Note 13)	**778,668**	1,379,939
Total cash outflows from operating activities	**(18,238,347)**	(19,432,982)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 8)	**(1,305,874)**	(3,369,495)
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	**208,143**	386,191
Total cash inflows (outflows) from investing activities	**11,947,516**	(2,983,304)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs (Note 13)	**(28,419)**	(98,776)
Proceeds from exercise of stock options	**39,812**	358,120
Total cash inflows from financing activities	**11,393**	259,344
Effect of foreign currency translation on cash	**1,210,403**	(1,045,916)
Decrease in cash	**(5,069,035)**	(23,202,858)
Cash, beginning of period	**28,698,108**	61,318,213
Cash, end of period	**23,629,073**	38,115,355

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 Notes 3(a) and 3(b), 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 November 13, 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 (investment revaluation 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 net loss of $31,387 and increase to net income of $113,511 for the three and nine month periods ended September 30, 2012 respectively (2011 – decrease to net loss of $51,005 and $106,328 respectively) as a result of a decrease to depreciation and amortization expense. As at September 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 $375,471 to depreciation and amortization expense over a weighted-average amortization term of 3.4 years (0.4 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 nine month periods ended September 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 nine month periods ended September 30, 2012 is $397,827 and $1,456,765 respectively (2011 – $1,004,207 and $1,908,555 respectively). There were no write-downs or reversals of write-downs of inventories to net realizable value during the first three quarters of 2012 or 2011. As at September 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 Amara Mining plc ("Amara") (formerly "Cluff Gold plc") 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 orderly market provisions for a period of two years per the terms of the Asset Purchase Agreement with Amara, dated February 3, 2012.

(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	-	-	(135,200)	(135,200)
Additions	-	-	6,442	6,442
Disposals	-	(16,527)	-	(16,527)
Foreign currency translation	(2,677)	24,292	1,861	23,476
Balance, September 30, 2012	**308,679**	**1,349,748**	**-**	**1,658,427**

Assets subject to depreciation and amortization	Buildings	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
Transfer from construction in progress	135,200	-	-	-	-	135,200
Additions	323,170	67,882	609,238	293,507	5,635	1,299,432
Disposals	(33,195)	-	(21,234)	(4,194)	-	(58,623)
Foreign currency translation	(21,007)	(12,436)	28,352	(9,514)	860	(13,745)
Balance, September 30, 2012	**2,394,655**	**1,450,285**	**2,265,896**	**516,446**	**187,884**	**6,815,166**
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	168,077	302,673	300,332	76,261	18,815	866,158
Disposals	(2,540)	-	(21,661)	(624)	-	(24,825)
Foreign currency translation	(2,017)	(1,001)	3,533	334	2,338	3,187
Balance, September 30, 2012	**471,746**	**512,705**	**540,642**	**114,992**	**132,942**	**1,773,027**
Carrying amounts as at:						
December 31, 2011	1,682,261	1,183,806	1,391,102	197,626	69,600	4,524,395
September 30, 2012	**1,922,909**	**937,580**	**1,725,254**	**401,454**	**54,942**	**5,042,139**

(Unaudited, expressed in United States dollars)

	Nine months ended September 30, 2012	Year ended December 31, 2011
	$	$
Cost, beginning of period	**7,233,138**	3,066,575
Additions	**1,305,874**	4,537,022
Disposals	**(75,150)**	-
Foreign currency translation	**9,731**	(370,459)
Cost, end of period	**8,473,593**	7,233,138
Accumulated depreciation and amortization, beginning of period	**928,507**	423,802
Depreciation and amortization	**866,158**	548,601
Disposals	**(24,825)**	-
Foreign currency translation	**3,187**	(43,896)
Accumulated depreciation and amortization, end of period	**1,773,027**	928,507
Carrying amounts, beginning of period	**6,304,631**	2,642,773
Carrying amounts, end of period	**6,700,566**	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 September 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
Bondi	1	224	08/15	n/a	n/a
Brighton, Niger (Uranium)	2	973	10/12 and 11/12	10/18 and 11/18	04/27 and 05/27
	5	**1,365**			

[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.

(Unaudited, expressed in United States dollars)

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

As at	September 30, 2012	December 31, 2011
	$	$
Burkina Faso		
Bomboré	**943,396**	915,357
Sega	**-**	16,749
Bondi	**180,595**	182,162
Total Burkina Faso	**1,123,991**	1,114,268
Brighton, Niger (Uranium)	**225,757**	227,715
Total mineral property rights	**1,349,748**	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 Company is in the process of applying for a permit extension of two to three years for which there is good precedence in country of the Government granting. 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 consisted 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 Amara for consideration consisting of $15 M in cash and 11 M new common shares of Amara (the "Sega Transaction"). Under the terms of the Sega Transaction, Amara 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. Amara 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. The taxes paid to the Government of Burkina Faso continue to be subject to review. Upon closing of the Sega Transaction, Amara 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 nine month period ended September 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 2015. The Company owns a 100% interest in the permit. This permit was renewed in August 2012 for its final three-year term.

(Unaudited, expressed in United States dollars)

Brighton, Niger (Uranium)

The Company, through its wholly-owned subsidiary Brighton Energy Corporation ("Brighton"), has two uranium exploration permits in Niger. Zéline 1 (482 km^2) expires 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 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.

In July 2012, Management decided to abandon the Zéline 4 permit due to negative exploration results. No impairment losses were realized as a result of the abandonment of this permit.

Subsequent to quarter-end, the Government of Niger approved the renewal of the Zéline 1 and Assaouas 1 permits for a period of three years. Both permits were subject to a 50% size reduction resulting in the new permits covering 241 km^2 and 239 km^2 respectively.

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) SHARE-BASED PAYMENT RESERVES

The net change in the components of share-based payment reserves from January 1, 2011 to September 30, 2012 was as follows:

Net change attributable to:	Share-based payments	Common share purchase warrants	Total share-based payment reserves
	$	$	$
Balance, January 1, 2011	4,539,740	66,801	4,606,541
Stock options exercised	(361,155)	-	(361,155)
Share-based compensation	3,000,568	-	3,000,568
Balance, December 31, 2011	7,179,153	66,801	7,245,954
Stock options exercised	(31,975)	-	(31,975)
Share-based compensation	3,121,513	-	3,121,513
Balance, September 30, 2012	**10,268,691**	**66,801**	**10,335,492**

(i) 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. Reserves as at September 30, 2012 and December 31, 2011 included $66,801 related to the 2010 Brighton Warrants.

(ii) SHARE-BASED PAYMENTS

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 September 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 2,611,053 additional stock options beyond what was issued and outstanding as at September 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.

In September 2012, there were 2,294,000 stock options (with strike prices between C$3.65 and C$4.85) forfeited by Directors and Officers, employees and consultants (an additional 15,000 options were forfeited subsequent to quarter-end). The expense related to forfeited options unvested at that date was accelerated to record the amount that otherwise would have been recognised for services received over the remainder of the vesting period, which was determined to be the grant date fair value adjusted for the estimated forfeiture rate less any amounts previously expensed relating to the grants.

(Unaudited, expressed in United States dollars)

Stock option activity for the period from January 1, 2011 to September 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	438,500	-
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	-	-	-
02/09/2011	02/09/2021	$4.00	-	1,055,000	-	1,050,000	5,000	-	5,000
04/05/2011	04/05/2021	$4.85	-	600,000	-	600,000	-	-	-
06/22/2011	06/22/2021	$4.25	-	150,000	-	150,000	-	-	-
12/23/2011	12/23/2021	$3.75	-	909,000	-	849,000	60,000	-	60,000
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	2,824,500	5,951,400	4,534,472	1,416,928
Weighted average exercise price			C$0.59	C$3.07	C$0.45	C$4.03	C$0.98	C$0.73	C$1.79

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 September 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 September 30, 2012, there was $806,023 (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 1.15 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 September 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 September 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 September 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 8.23 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 September 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 nine month periods ended September 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 nine month periods ended September 30, 2012, no stock options were forfeited (year ended December 31, 2011 – 125,000, with a weighted-average exercise price of C$1.00).

Dilutive Effect of Stock Options

For the three and nine months ended September 30, 2012, 5,951,400 and 265,000 stock options respectively (5,852,500 for both the three and nine months ended September 30, 2011) which could have been dilutive were excluded from the computation of diluted earnings per share.

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 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 September 30,		Nine months ended September 30,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Drilling and assaying	**1,354,793**	5,923,193	**12,096,136**	13,118,629
General, camp, infrastructure and other	**750,378**	513,383	**1,938,400**	1,515,673
Exploration and development studies	**972,528**	386,102	**1,580,120**	1,053,185
Exploration surveys	**167,009**	696,543	**592,593**	2,055,396
Total exploration and evaluation costs	**3,244,708**	7,519,221	**16,207,249**	17,742,883
Salaries and employee costs	**488,301**	542,859	**1,568,325**	1,642,457
General and office costs	**146,227**	222,085	**381,645**	521,874
Investor relations and travel	**59,155**	114,131	**353,500**	350,691
Public company costs	**60,149**	71,472	**243,303**	308,478
Professional fees	**44,002**	125,840	**169,935**	284,331
Total general and administrative costs	**797,834**	1,076,387	**2,716,708**	3,107,831

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and nine month periods ended September 30, 2012 was $1,154,399 and $3,910,661 respectively (2011 – $1,226,911 and $3,444,921 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 nine month periods ended September 30, 2012 was $508,868 and $1,861,101 respectively (2011 – $740,336 and $2,278,058 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 to the Government of Burkina Faso 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.

Given that common stock in Amara comprised part of the consideration on the sale of Sega, the Company could be subject to additional income tax in Canada when the shares are eventually sold. As a result, at September 30, 2012, the Company recognized a deferred tax liability of $686,004 relating to the gain on its shares in Amara. Upon eventual sale of the investment any realized gains will be taxable in Canada as Foreign Accrual Property Income (“FAPI”). The Company however has sufficient non-capital loss carryforwards to offset the potential tax liability to nil. Accordingly a deferred tax asset in the same amount has been recognized and offset against the deferred tax liability.

(Unaudited, expressed in United States dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the nine month period ended September 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	**(5,122)**	(28,668)
Inventories	**(51,032)**	(335,554)
Prepaid expenses and deposits	**326,856**	(434,607)
Accounts payable and accrued liabilities	**507,966**	2,178,768
	778,668	1,379,939
Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to finance income	**6,563**	(6,382)
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	**-**	(98,776)

14. SEGMENTED INFORMATION

The Company has only one business segment, being the acquisition, exploration and potential development of precious metal properties, which is carried out through its wholly owned operating subsidiary Orezone Inc.

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

As at	**September 30, 2012**	December 31, 2011
	$	$
Canada	**19,459**	23,992
Burkina Faso	**6,261,931**	5,844,559
Niger	**419,176**	436,080
	6,700,566	6,304,631

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

	Nine months ended September 30, 2012	Nine months ended September 30, 2011
	$	$
Canada	**5,635**	3,608
Burkina Faso	**1,300,239**	3,336,245
Niger	**-**	29,642
	1,305,874	3,369,495

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	**September 30, 2012**	December 31, 2011
	$	$
Taxes receivable, included in trade and other receivables	**17,299**	20,514
Taxes payable, included in accounts payable and accrued liabilities	**138,349**	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 September 30, 2012	**USD**	**CAD**	**EUR & CFA[1]**	**GBP**	**Total**
	$	$	$	$	$
Financial assets					
Cash	1,020,641	19,838,790	2,769,642	-	23,629,073
Trade and other receivables	234	36,581	5	-	36,820
Deposits	-	-	69,155	-	69,155
Investment (classified as available-for-sale)	-	-	-	14,284,343	14,284,343
	1,020,875	19,875,371	2,838,802	14,284,343	38,019,391
Financial liabilities					
Accounts payable and accrued liabilities	175,911	1,112,919	537,621	-	1,826,451
Net financial instruments, September 30, 2012	**844,964**	**18,762,452**	**2,301,181**	**14,284,343**	**36,192,940**

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	**September 30, 2012**	December 31, 2011
	$	$
CAD	**(1,876,245)**	(2,424,370)
EUR & CFA	**(230,118)**	(51,863)
GBP	**(1,428,434)**	-
	(3,534,797)	(2,476,233)

As at September 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.

Marketable securities held as investments and market price risk

The Company holds shares of a publicly traded company and is subject to the risk that the fair value or future cash flows of this financial instrument will fluctuate because of changes in the market price. A significant decrease in the value of the financial instrument could result in a reduction in cash available for reinvestment in its exploration activities.

16. COMMITMENTS

As at September 30, 2012, the Company had contractual obligations for drilling activities, resource update costs, preparation of the definitive feasibility study ("DFS"), sample analysis and laboratory management services, environmental impact studies, construction and facilities costs and equipment rentals in the amount of $2.45 M (commitments as at December 31, 2011 – $3.80 M). 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 Q4 2012 with the remainder payable in Q1 2013. Subsequent to September 30, 2012, the Company entered into further contractual obligations in the amount of $1.46 M for consulting work to be used for the DFS, construction and facilities costs and various other expenditures which are also expected to be payable during Q4 2012 with the remainder payable in Q1 2013.

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 Amara, as described in Note 8.

17. KEY MANAGEMENT COMPENSATION

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

	Three months ended September 30,		**Nine months ended September 30,**	
	2012	2011	**2012**	2011
	$	$	**$**	$
Short-term employee compensation and benefits and director fees	**382,620**	424,309	**1,119,020**	1,259,358
Share-based compensation	**1,147,591**	525,983	**2,555,873**	2,465,257
	1,530,211	950,292	**3,674,893**	3,724,615

In the three month period ended September 30, 2012, key management personnel forfeited 1,925,000 options as described in Note 9(b)(ii), which resulted in additional share-based compensation expense being recognized for the period.