OREZONE GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND TOTAL COMPREHENSIVE INCOME (LOSS)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2012

November 14th, 2012

General

This Management's Discussion and Analysis ("MD&A") is provided to enable the reader to assess material changes in the financial position and total comprehensive income (loss) for Orezone Gold Corporation (the "Company") for the three and nine month periods ended September 30, 2012, in comparison to the corresponding prior-year periods. This document should be read in conjunction with the condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2012 ("Interim Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim reporting periods. As a result, this MD&A should also be read in conjunction with the Annual Financial Statements and Annual Information Form ("AIF") on file with the Canadian provincial securities regulatory authorities for the year ended December 31, 2011. All dollar amounts in this MD&A are in United States dollars, unless otherwise specified. References to "$" or "US$" are to United States dollars and references to "C$" are to Canadian dollars. This MD&A has taken into account information available up to and including November 14th, 2012.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out our exploration programs or the need for future financing are forward-looking statements. Statements regarding expected results, including the potential for expansion of current National Instrument 43-101 ("NI 43-101") qualified resources of the Company are also forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking statements.

The MD&A is prepared in conformity with NI 51-102F1 and has been approved by the Board of Directors prior to its release.

Corporate Information

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. Management has been operating in West Africa for over 15 years. The Company is in the exploration and evaluation phase and has not yet determined whether any of its mineral properties are technically feasible and commercially viable. The Company's primary objective is to maximize shareholder value by identifying and developing commercially viable gold mining operations.

Although the Company began trading publicly on February 25, 2009, the projects, Management and Board represent the continuation of the successful track record of Orezone Resources Inc. ("Resources") in Burkina Faso, extending back to its inception in 1996. This includes the acquisition, exploration, development, financing, construction and divestiture of the Essakane gold project to IAMGOLD Corporation, the largest operating gold mine in Burkina Faso. Burkina Faso will be the fourth largest African gold producer in 2012 and much of this production will come from Essakane. Burkina Faso has similar geology, but is relatively underexplored, compared to the neighboring countries of Mali and Ghana where more major discoveries have been made and a number of large mines have been built.

Burkina Faso has good infrastructure relative to much of West Africa, and has provided the opportunity to acquire both relatively large unexplored tracts of land, as well as more advanced stage assets, on reasonable terms. The Company will continue to focus the majority of its efforts in Burkina Faso.

The Company has two advanced stage gold projects: Bomboré and Bondi, which are both located in Burkina Faso. The world class Bomboré project is the largest undeveloped gold deposit in Burkina Faso. During Q3 2012, the Company's main focus continued to be the advancement of Bomboré towards a production decision, which the Company expects to be in a position to make after the completion of a definitive feasibility study ("DFS") by the third quarter of 2013.

The Company also has uranium exploration permits in Niger, which it operates through its 100%-owned subsidiary Brighton Energy Corporation ("Brighton"). The Company has made significant discoveries on its exploration permits held by Brighton and completed an 18,664 m drill program during the first three quarters of 2012 to follow up these discoveries.

The following table provides the NI 43-101 qualified resources on the Company's projects:

Table 1 – NI 43-101 Qualified Resources

Category	Tonnes	Grade	Contained Gold	Date Released
	(M)	(Au g/t)*	(oz)*	
Bomboré				
Measured and indicated resources	125.0	1.03	4,131,000	August 2012
Inferred resources	32.1	1.00	1,034,000	
Bondi				
Measured and indicated resources	4.1	2.12	282,000	February 2009
Inferred resources	2.5	1.84	149,700	
Total				
Measured and indicated resources	**129.1**	**1.06**	**4,413,000**	
Inferred resources	**34.6**	**1.06**	**1,183,700**	

* Using a 0.50 g/t cut-off, except for Bomboré which uses a cut-off of 0.45 g/t for oxide material, 0.45 g/t for transition material and 0.50 g/t for fresh material.

Significant developments during, and subsequent to, the three-month period ending September 30, 2012 included:

Bomboré

- On August 27th, the Company announced an updated NI 43-101 compliant resource statement for its Bomboré Gold Deposit;
- On September 4th, the Company announced 35,000 m of additional positive oxide and sulphide drill results from infill and expansion drilling completed during Q2 2012 at Bomboré. These results were not included in the Bomboré resource update announced on August 27; and
- On November 13th, the Company announced an additional 21,900 m of positive infill and expansion drilling results from the northern area of the Bomboré project.

Brighton

- Subsequent to quarter end, the government of Niger approved the renewal of the Zéline 1 and Assaouas 1 permits for the period of 3 years. Both permits were subject to a 50% size reduction resulting in the new permits covering 241 km^2 and 239 km^2 respectively.

General

- In September, 2,294,000 stock options with strike prices between C$3.65 and C$4.85 were forfeited by Directors and Officers, employees and consultants. An additional 15,000 options were forfeited in October.

Exploration Activity

The following table summarizes the Company's exploration and evaluation costs and meters drilled by project for the three and nine month periods ended September 30, 2012 and 2011. All figures are presented in US$, except for meters drilled.

Table 2 – Exploration and Evaluation Costs

Three month period ended September 30, 2012	Meters Drilled m	Drilling & Assaying $	General, Camp, Infrastructure & Other $	Exploration & Development Studies $	Exploration Surveys $	Total Exploration & Evaluation Costs $
Bomboré	**11,762**	1,352,313	680,137	934,413	145,158	**3,112,021**
Sega	**-**	-	-	-	-	**-**
Bondi	**-**	935	21,698	38,115	10,716	**71,464**
Brighton, Niger (Uranium)	**130**	1,545	48,543	-	11,135	**61,223**
Total	**11,892**	**1,354,793**	**750,378**	**972,528**	**167,009**	**3,244,708**

Three month period ended September 30, 2011	Meters Drilled [1] m	Drilling & Assaying $	General, Camp, Infrastructure & Other $	Exploration & Development Studies $	Exploration Surveys $	Total Exploration & Evaluation Costs $
Bomboré	**57,991**	5,793,805	381,287	372,740	65,108	**6,612,940**
Sega	**-**	66,144	60,703	13,362	23,951	**164,160**
Bondi	**-**	-	4,763	-	1,143	**5,906**
Brighton, Niger (Uranium)	**916**	63,244	66,630	-	606,341	**736,215**
Total	**58,907**	**5,923,193**	**513,383**	**386,102**	**696,543**	**7,519,221**

[1] Includes 1,469 m of auger drilling on Bomboré

Nine month period ended September 30, 2012	Meters Drilled [2] m	Drilling & Assaying $	General, Camp, Infrastructure & Other $	Exploration & Development Studies $	Exploration Surveys $	Total Exploration & Evaluation Costs $
Bomboré	**114,705**	10,718,470	1,625,361	1,476,561	304,175	**14,124,567**
Sega	**10,000**	4,231	3,523	-	487	**8,241**
Bondi	**2,500**	110,131	99,958	103,559	49,263	**362,911**
Brighton, Niger (Uranium)	**18,664**	1,263,304	209,558	-	238,668	**1,711,530**
Total	**145,869**	**12,096,136**	**1,938,400**	**1,580,120**	**592,593**	**16,207,249**

[2] Includes 4,860 m of auger drilling on Bomboré and 2,500 m at Bondi

Nine month period ended September 30, 2011	Meters Drilled [3] m	Drilling & Assaying $	General, Camp, Infrastructure & Other $	Exploration & Development Studies $	Exploration Surveys $	Total Exploration & Evaluation Costs $
Bomboré	**127,313**	11,528,528	1,047,089	991,562	285,138	**13,852,317**
Sega	**10,000**	329,653	184,333	61,623	131,459	**707,068**
Bondi	**-**	-	17,113	-	4,651	**21,764**
Brighton, Niger (Uranium)	**17,393**	1,260,448	267,138	-	1,634,148	**3,161,734**
Total	**154,706**	**13,118,629**	**1,515,673**	**1,053,185**	**2,055,396**	**17,742,883**

[3] Includes 12,146 m of auger drilling on Bomboré and 10,000 m at Sega

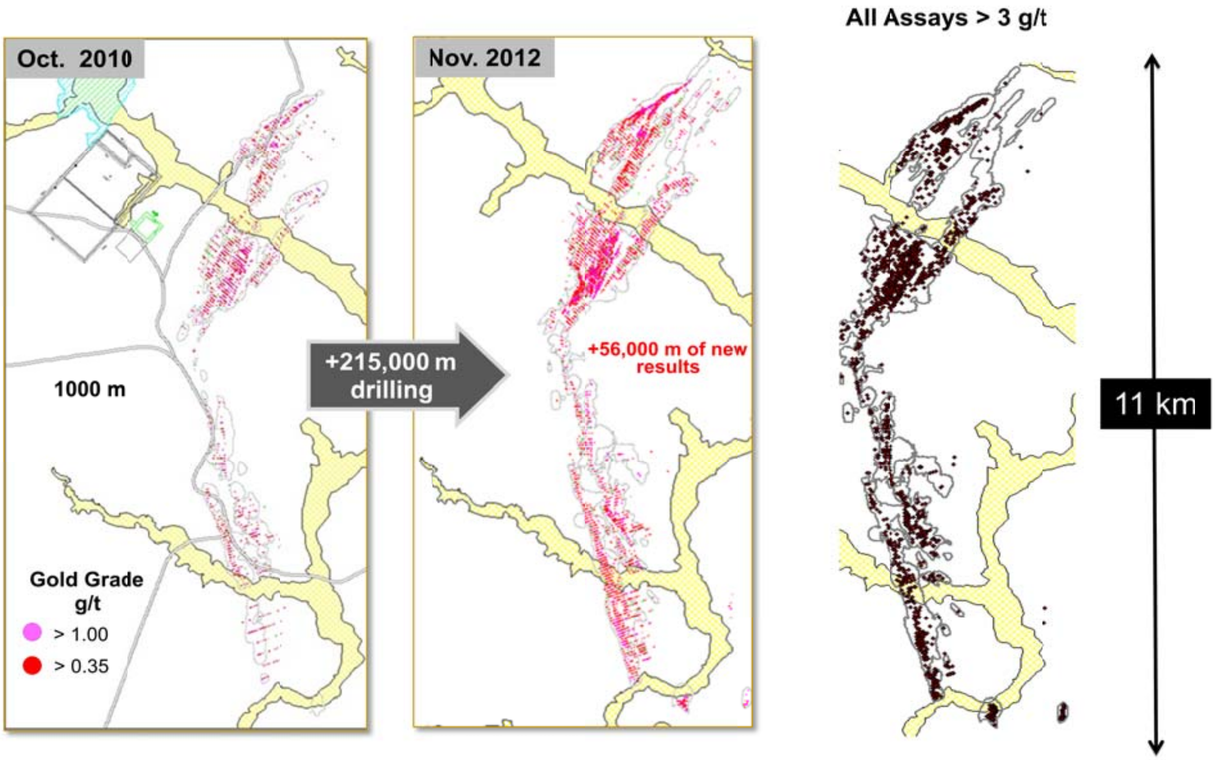
Bomboré Project

Orezone is rapidly developing its wholly owned Bomboré project towards transition to a mining operation by late 2015. Bomboré is situated 85 km east of the capital city and is adjacent to an international highway with access to sufficient water, power and a local labor force. On August 27, 2012, the Company released an updated NI 43-101 compliant resource statement (the "2012 Resource") on the project. The 2012 Resource includes 4.13M oz Measured & Indicated (125M t @ 1.03 g/t) and 1.03M oz Inferred (32.1M t @ 1.00 g/t) and was based on 338,033 m of drilling (to an average vertical depth of 120m), including 222,184 m of RC (3,510 holes) and 115,849 m of core (764 holes). The 2012 Resource is constrained within optimized pitshells ($1400/oz gold price) that span 11 km, and remain open at depth and, for the most part, along strike. The 2012 Resource was successful at demonstrating improved continuity in the mineralization which will lead to lower strip ratios than those previously reported in the 2011 preliminary economic study (PEA). From surface to an average depth of 40-50 m, the resources are oxidized and amenable to both Carbon In Leach ("CIL") and Heap Leach ("HL") processing. The oxide/transition resource included within the 2012 Resource represents approximately 1.76M oz M&I and 0.26 M oz Inferred with significant potential for further expansion. Map 1 illustrates oxide drill hole intersections, projected to surface, for both the 2010 Resource as well as an updated view incorporating all drill results received to date demonstrating significant progress towards expansion and improvement in the continuity of the oxide resource.

Although the 2012 Resource was estimated using current in-country costs for a large tonnage CIL operation, there are considerable opportunities to optimize these parameters given the robust oxide/transition resource and the resulting ability to construct the project in stages. A DFS is underway and is expected to be completed by Q3 2013. The DFS will examine the potential for a large tonnage open pit CIL operation to be built in two phases. The first phase would process the softer near surface oxide material, with subsequent expansion to process the larger sulphide resource. This phased approach will reduce the initial capital requirements and provide the opportunity to finance the second phase of construction using operating cash flows. Production could commence as early as 2015 at 150,000 oz/yr and increase to 250,000 oz/yr with the completion of the second phase expansion. Orezone has rehired much of the same technical team that completed all of the necessary permitting for Essakane in six months and was responsible for the successful relocation of over 15,000 local people. G Mining Services Inc. ("GMS") is completing the Bomboré DFS and was previously responsible for building Essakane, the largest operating mine in Burkina Faso, on time and on budget.

The 2012 Resource was based on an additional 217,475 m of drilling from the 2010 Resource (116,154 m of RC and 101,321 m of core), which was completed between Q4 2010 and Q1 2012. The Company also completed a 12,142 m auger drilling program in 2011 and a 4,860 m auger drilling program in 2012, both designed to identify possible lateral extensions of the known resources and to test other gold targets. Subsequent to completion of the 2012 Resource, the Board approved an additional 90,000 m of infill and expansion drilling (in addition to 35,000 m of drilling in Q2 2012 that was excluded from the 2012 Resource). The 125,000 m of additional drilling will target both an upgrade and expansion of the current inferred resources, as well as a number of new oxide targets. This will bring the average vertical drill depth from 120 m to 150 m where sulphide resources remain substantially open. The Company expects to complete an updated resource calculation for use in completion of the DFS. This internal update will include approximately 65,000 m of additional drilling not incorporated into the 2012 Resource. With the additional drilling budget, the Company estimates that it will spend approximately $32 M on exploration and development in 2012 through to Q3 2013 including the costs related to the completion of the 2012 Resource (released August 2012) as well as the DFS and camp/capital additions. Part of the budgeted costs will be incurred in 2013 as the DFS timeline has been extended as a result of delays in completing the 2012 Resource, as well as some of the technical trade-off studies being completed as part of determining the optimal phase 1 production scenario.

Map 1 – Comparison of Oxide drill hole intersections projected to surface for the 2010 Resource vs. all Oxide results to date from the Program



2012 Resource Update

The mineral resource statement (Table 1) was prepared by SRK Consulting (Canada) Inc. ("SRK") from Toronto. The mineral resources are constrained within 6.2 km² of conceptual open pit shells prepared by GMS from Montreal using parameters established by GMS in June 2012 and taking into account the results of the ongoing metallurgical test work (Table 2). The total resource (oxide and sulphide) spans an area over 11 km long and up to 1 km wide with an estimated stripping ratio of 2.7:1. The majority of the total resource occurs within the top 120 m, where approximately 95% of the drilling was completed to date, but pit shells can reach a depth of 200 m.

Table 1 - 2012 Mineral Resource Statement* for the Bomboré Deposit, Burkina Faso, West Africa, SRK Consulting (Canada) Inc., August 20, 2012, CIL Processing Scenario

Category	Cut-off Gold	Measured Mineral Resource			Indicated Mineral Resource			Inferred Mineral Resource		
		Tonnage	Grade	Contained Gold	Tonnage	Grade	Contained Gold	Tonnage	Grade	Contained Gold
	g/t	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
South:										
Laterite/Oxide	0.45	4.89	0.93	146	6.32	0.94	190	2.85	0.85	78
Transitional	0.45	3.65	0.90	105	3.55	0.96	110	2.07	0.82	55
Fresh	0.50	10.37	1.00	333	18.25	1.06	621	9.73	0.97	303
Sub-total		**18.91**	**0.96**	**585**	**28.12**	**1.02**	**922**	**14.65**	**0.93**	**436**
Southeast:										
Laterite/Oxide	0.45	0.17	1.32	7	0.40	1.19	15	0.16	0.77	4
Transitional	0.45	0.14	1.68	8	0.18	1.16	7	0.16	0.64	3
Fresh	0.50	1.50	1.56	75	0.64	1.50	31	0.29	0.97	9
Sub-total		**1.81**	**1.54**	**90**	**1.22**	**1.35**	**53**	**0.61**	**0.83**	**16**
North:										
Laterite/Oxide	0.45	11.24	0.92	333	15.10	0.91	441	3.46	0.70	78
Transitional	0.45	7.39	0.93	222	5.31	1.00	171	1.57	0.74	37
Fresh	0.50	19.29	1.03	638	16.60	1.27	676	11.85	1.23	467
Sub-total		**37.92**	**0.98**	**1,193**	**37.02**	**1.08**	**1,288**	**16.87**	**1.07**	**581**
Combined:										
Laterite/Oxide	0.45	16.29	0.93	487	21.82	0.92	647	6.47	0.77	160
Transitional	0.45	11.18	0.93	335	9.04	0.99	287	3.80	0.78	95
Sub-total	0.45	**27.47**	**0.94**	**822**	**30.87**	**0.94**	**934**	**10.27**	**0.94**	**255**
Combined:										
Fresh	0.50	31.17	1.04	1,046	35.49	1.16	1,328	21.86	1.11	779
Total		**58.64**	**0.99**	**1,868**	**66.36**	**1.06**	**2,262**	**32.13**	**1.00**	**1,034**
Total M+I		**125.00**	**1.03**	**4,131**						

* Mineral resources are not mineral reserves and do not have a demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on a gold price of US$1,400 per ounce and metallurgical recovery of 94 percent for laterite and oxide, 92 percent for transitional material and 82 percent for fresh material. Reported within conceptual open pit shells optimized considering a carbon in leach process option.

Table 2 - 2012 Optimization Parameters used by GMS vs. 2010 Optimization Parameters used by SRK

Category	2012	2010
Gold Price	$1,400	$1,025
NSR	$70	$41
Lower Cut-off	g/t	g/t
Oxide	0.45	0.30
Transition	0.45	0.35
Fresh	0.50	0.50
Process Recovery	%	%
Oxide	94	93
Transition	92	92
Fresh	82	78
Overall Pit Slopes	Degrees	Degrees
Oxide	35	37
Transition	40	42
Fresh	45	50

Category	2012	2010
Mining Costs	$	$
Oxide	1.90	1.10
Transition	2.35	1.35
Fresh	2.44	1.65
Processing Costs	$	$
Oxide	7.21	6.67
Transition	9.76	8.52
Fresh	12.66	10.36
G&A	$	$
Oxide	3.84	1.55
Transition	3.84	1.67
Fresh	3.84	1.85

Table 3 - 2010 Mineral Resource Statement* for the Bomboré deposit, Burkina Faso, West Africa, SRK Consulting (Canada) Inc., October 15, 2010, CIL Processing Scenario

		Indicated Mineral Resource			Inferred Mineral Resource		
Cut-off (g/t)	**Weathering Profile**	**Tonnage (Mt)**	**Grade (g/t)**	**Gold (Moz)**	**Tonnage (Mt)**	**Grade (g/t)**	**Gold (Moz)**
0.30	Oxide	34.0	0.67	0.73	25.0	0.59	0.48
0.35	Transition	11.2	0.84	0.30	5.4	0.88	0.15
0.50	Fresh	15.7	1.10	0.55	30.3	1.28	1.24
	TOTAL	**60.9**	**0.81**	**1.59**	**60.6**	**0.96**	**1.87**

* Mineral Resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on a gold price of US$1,025 per ounce with CIL processing recoveries of 93% for oxide, 92% for transitional and 78% for fresh material. Indicated and Inferred Mineral Resources are all reported within conceptual optimized open pit shells. **Unlike 2008, those resource blocks that occur outside the pits shells are not included in this resource estimate**. Mt= million metric tonnes. Moz= million troy ounces; g/t= grams gold per tonne.

Table 4 - 2012 Mineral Resource Sensitivity to Gold Price, CIL Processing Scenario

Measured and Indicated				Inferred		
Gold Price US$/oz	**Ore Tonnage (Mt)**	**Au Metal (Moz)**	**Au Grade (g/t)**	**Ore Tonnage (Mt)**	**Au Metal (Moz)**	**Au Grade (g/t)**
1100	78.5	2.65	1.05	20.2	0.66	1.01
1200	97.3	3.05	0.98	26.0	0.79	0.95
1300	112.0	3.49	0.91	41.5	1.17	0.88
1400	142.0	3.88	0.85	56.5	1.50	0.82
1500	167.9	4.31	0.80	74.6	1.86	0.78
1600	193.6	4.70	0.75	99.3	2.36	0.74
1700	218.7	5.05	0.72	129.9	2.95	0.71

Resources are from Whittle runs including 5% dilution and 5% mining losses.

Drilling on the Bomboré property, geological modeling and the mineral resource estimates were supervised by Pascal Marquis, Ph.D., P. Geo., Senior Vice President and Qualified Person for Orezone, as defined by National Instrument 43-101, and who has reviewed and approved the technical information in this release. The mineral resource estimate was prepared by Dorota El-Rassi, P.Eng. and Glen Cole, P.Geo. of SRK; they are Independent Qualified Persons as defined by National Instrument 43-101. The optimization parameters and the Whittle pit optimization were established by Louis-Pierre Gignac, P.Eng., CFA of GMS; he is an independent Qualified Person as defined by National Instrument 43-101.

Post 2012 Resource Drilling progress

The Company completed the remainder of the 217,475 m drill program (66,848 m) in Q1 2012 with all results incorporated into the 2012 Resource. Additional drilling continues at Bomboré with 28,593 m of diamond drilling ("DD") and 34,756 m of RC drilling completed to November 13th (11,762 m drilled in Q3 2012). This drilling has focused mainly on the Siga and Maga areas as part the 125,000 m infill and expansion drill program that will conclude in Q2 2013.

The reconnaissance mapping and prospecting program on the new Toéyoko permit to the southwest identified two promising targets on the permit. The first is P13, an 11 km long structure extending north onto the Bomboré permit with similar geology to that of the Siga West-Siga South deposit. This structure is associated with anomalous gold-in-soil geochemistry and with several gold workings where 11 grab and chip samples averaged 1.1 g/t (maximum of 4.0 g/t). The target was covered by the Q2 2012 auger drilling program using a 400 m by 25 m drilling pattern. The second target, P17S, is located 1,600 m to the south of the P17 deposit that was included in the 2010 resource estimate. Grab and chip sampling of gold workings within the target area returned an average of 2.8 g/t from 13 samples of felsic intrusive material (maximum of 7.6 g/t), and an average of 1.1 g/t from 27 samples of sheared intermediate to mafic intrusive (maximum of 8.3 g/t). The Company completed three core holes on two fences 100 m apart on this new discovery during the quarter, all of which intersected gold mineralization in felsic intrusives hosted in sheared meta-gabbro. The uncut grade is averaging 3.4 g/t over a core length of 6.25 m (maximum of 10.2 g/t). The true width of these mineralized intervals is unknown at this stage.

During Q2 2012, the Company undertook a 4,860 m auger drilling program on several new targets on the Bomboré and Toéyoko permits. Assay results were received and compiled during the quarter with the most significant results from the 3 km southern end of the P13 target where two gold anomalies were defined on 400 m spaced auger profiles. These, as well as several other more discrete gold anomalies, are currently being followed up with further RC drilling as part of the 125,000 m drill program that commenced in Q2 2012.

Economics and optimal mining scenario

The base case presented in the PEA for a combined oxide-sulphide CIL plant demonstrated an after-tax IRR of 6.9%[1] to the Company, using $1,000/oz Whittle pitshells, revenues based on $1,100/oz gold, $80/bbl oil and all other costs being current market. The after-tax IRR improves to 28% (HL) and 20% (CIL) from revenues at a $1,500/oz gold price, $120/bbl oil and the same $1,000/oz Whittle pitshells. Upon completion of the Program and further technical studies the Company hopes to improve on the economics presented in the PEA by:

1. **Lowering the initial capital expenditure by building the plant in two phases:** By starting with only an oxide plant, capital requirements would be substantially reduced and a phase II expansion to process the fresh or sulphide ores could be built using project cash flows. The oxide ores are softer to mine, have the lowest strip ratio, the highest recoveries, use less power and reagents and thereby result in the lowest operating costs per tonne of ore. The Company is currently evaluating the economic feasibility of this scenario (including completion of engineering and metallurgical testing) and the related capital requirements;

2. **Resource expansion:** The 2012 Resource was successful in expanding and upgrading resources overall, and most significantly, in demonstrating approximately 2M oz of oxide/transition resource. The Company expects the current drill program to further increase and upgrade both the oxide and sulphide resources; and

3. **Improved continuity:** The 2012 Resource, together with subsequent drill programs, has been successful in demonstrating improved continuity of the mineralization which will improve the strip ratios. The Company is targeting a strip ratio of 1.5:1 for an oxide-only CIL plant with an eight to ten year mine life.

[1] Represents the Company's Burkina Faso subsidiary cash flows net of royalties and local taxes.

Feasibility and infrastructure work

The Company continues to advance the DFS which is expected to be complete by Q3 2013. The environmental impact study ("EIS"), archaeological studies, detailed metallurgical studies and optimization studies all commenced in 2011 and were largely complete at quarter-end pending final pit designs and infrastructure location selections. A detailed socio-economic field inventory was completed in September 2011 and an interim report was received in December 2011. During Q2 2012, the socio-economic database was validated and field visits were undertaken by Orezone staff to all families potentially impacted by the project to finalize a detailed building inventory map and estimate the cost of relocating each family. The Company has started identifying possible resettlement areas for each of the communities potentially impacted by the project.

The Company began a series of metallurgical studies in Q4 2011 which were nearing completion in Q3 2012. Much of this work is based on the nature of the oxide ores which are soft with rapid leach kinetics, close to surface, and contain a large amount of fine material that is suitable for the leaching circuit without the need for crushing/grinding. The focus of the studies is to reduce power/grinding costs and simplify/reduce the grinding circuit without decreasing throughput. Approximately one tonne of material (76 samples) representative of the various oxide and sulphide mineralized zones was collected and delivered to McClelland Laboratories Inc. in Nevada, USA. The samples were subjected to detailed ore variability testing, including work index and abrasion index test work and cyanidation tests, carbon and sulfur speciation, ICP scan, whole rock analysis and granulometry and particle size distribution analysis. Metallurgical testing completed to date indicates recoveries of +90% from oxides using a CIL process. The various ores of Bomboré are not refractory with the gold being fine grained and free-milling. Detailed variability test work was completed in Q2 2012 to optimize recoveries of the sulphide (fresh) ore that are expected to be dependent primarily on grind size. The Company expects to release the results of the metallurgical studies during Q4 2012 which will form the basis for developing a processing flow sheet, and determining plant capacity, equipment selection and sizing as well as capital and operating cost estimates for the DFS. In Q1 2013, the Company expects to release new plant site designs and grinding circuit trade off studies which could contribute to further reducing capex and operating costs. The back-end of the plant including the leaching circuit and tailings along with pump station and bulk water storage is expected to be very similar in design to the Essakane Mine that was Orezone's project up until 2009. Map 2 illustrates the current pit outlines for the 2012 Resource as well as conceptual plant and tailing storage facility layouts.

The new site camp, office and access roads were built during 2011 and are fully functional. Construction of a sample preparation facility with the capacity to process 18,000 samples per month commenced during Q4 2011 and was completed in June 2012 and has improved the turn-around time for assay results to about two weeks. The facility is managed by an independent certified international laboratory (SGS Group). The commissioning of the Company's own RC drill rig in late Q4 2011 has led to a 29% cost savings per meter for 2012 as compared to 2011. With these investments, the Company continues to improve the efficiency of its exploration programs and ultimately the development of the project.

Permit status and expansion

The original Bomboré I permit (105 km2) was renewed in January 2010 for its final three-year exploration term (current expiry is February 17, 2013). The Company has applied for a permit extension of two to three years for which there is good precedence in country of the Government granting. This will not impact the timing of application and approval for the mining permit.

In August 2011, the Company announced it had been granted exploration rights to the Toéyoko permit, an additional 63 km2 of prospective ground adjacent to Bomboré. Toéyoko is within its first three-year term and may be renewed for two more consecutive three-year terms. The new permit extends the Bomboré project footprint to the south and southwest by 60%. Regional gold-in-soil geochemistry and auger drilling results indicate there is potential for mineralization to extend from Bomboré onto Toéyoko. A 1,900 line-km high resolution airborne geophysical survey was completed in November 2011 over the Toéyoko permit and the Company received the magnetometry and radiometric data at the end of December 2011.

The Company merged the Toéyoko and Bomboré geophysical datasets (both at 50 m line spacing) and high-resolution photo-satellite base maps during Q1 2012. Reconnaissance mapping and prospecting was completed prior to the start of the auger drilling program, of which 2,561 m was completed during Q2 2012. The auger drilling has been completed and potential targets for future expansion have been identified, with 414 m of DD completed during Q2 2012. The current 125,000 m drill program includes a 4,750 m scout RC drilling program to follow up on positive auger drilling results on the P13 target, and 1,200 m of core drilling to follow up on the P17S discovery.

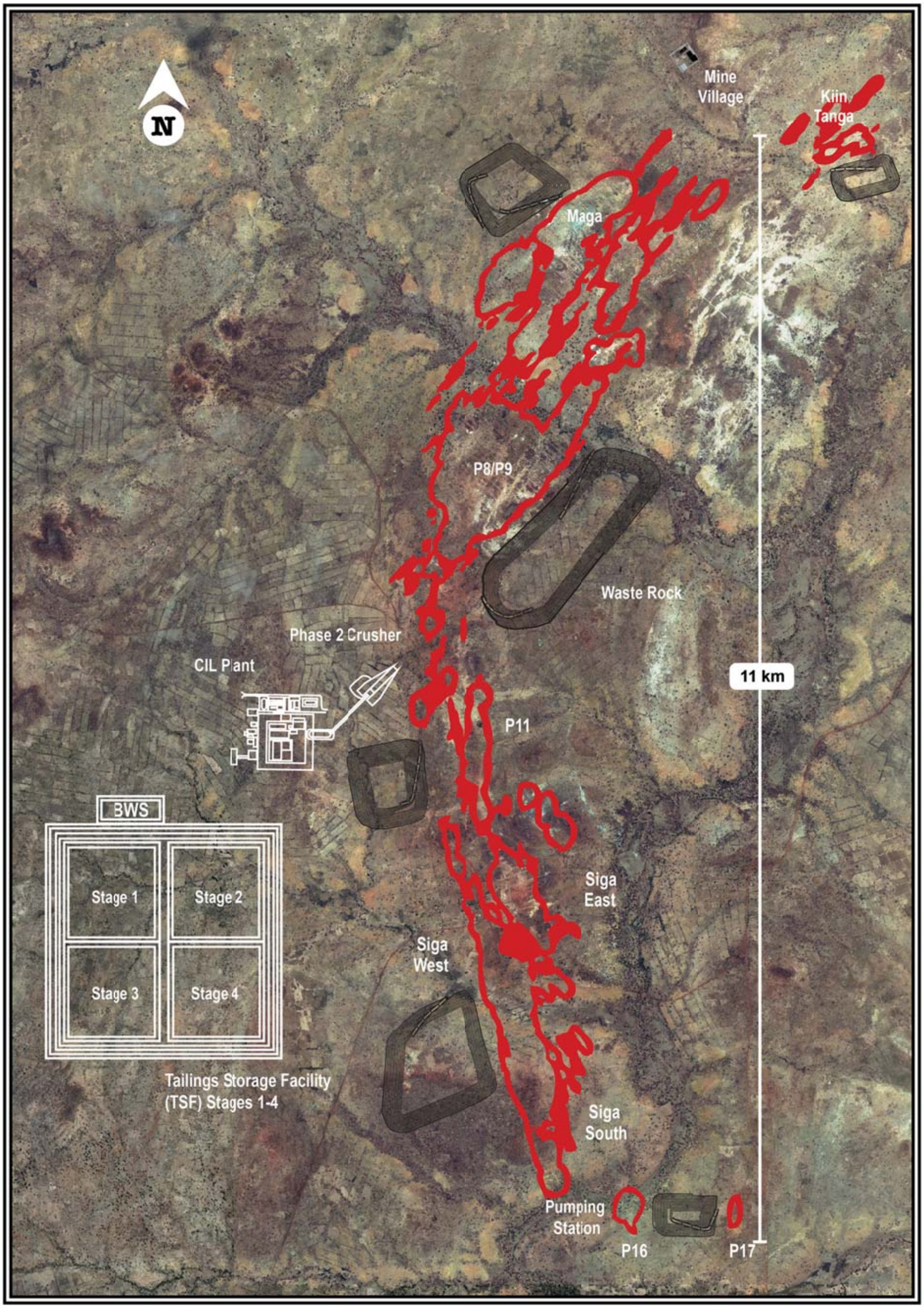
Ownership

The Company owns a 100% interest in the exploration permits less the standard sliding net smelter royalty ("NSR") of between 3% and 5% depending on the gold price, and 10% carried interest held by the government in the event that a mining permit is granted.

Analysis of expenditures

Drilling and assaying expenditures at Bomboré for the three month period ended September 30, 2012 decreased by $4.44 M over Q3 2011 due to lower drilling activity. During the quarter the Company completed 11,762 m of drilling compared to 57,941 m of drilling for the three month period ended September 30, 2011. This reduction is due to a planned interruption in the drilling programs in July and August to help eliminate the assay backlog and allow our exploration crews to take a well deserved break. The drilling programs resumed in September with the objective to complete 90,000 m of definition and scout drilling by Q2 2013. Drilling and assaying expenditures for the nine month period ended September 30, 2012 decreased by $0.81 M over the prior-year comparative period due to fewer meters being drilled in Q3 2012. The Company completed 49,988 m of DD out of total drilling of 114,705 m for the nine months ended September 30, 2012 versus a total of 127,313 m drilled in the nine months ended September 30, 2011, including 46,560 m of DD drilling completed. General camp, infrastructure and other costs for the three and nine months ended September 30, 2012 has increased by $0.30 M and $0.58 M respectively over the prior-year comparative periods as the Company continues to expand the camp and has increased its camp activities including the hiring of a Project Manager to assist in the management of the DFS. Expenses related to exploration and development studies in the three and nine months ended September 30, 2012 increased by $0.56 M and by $0.48 M respectively from the prior-year comparative periods due to the undertaking of a resource update released in August 2012, metallurgical testing and the ongoing DFS as opposed to the same period in 2011 where the Company spent the majority of its time on the PEA and environmental studies.

Map 2 – Bomboré Project Pit Outlines and Conceptual Plant Layout



Sega Project

On February 3, 2012, the Company signed a definitive agreement for the sale and transfer of the Sega project to Amara Mining plc ("Amara") (formerly "Cluff Gold plc") and the Company completed the sale on May 23, 2012 (the "Closing Date") for total consideration of approximately US$26.3 M. This was comprised of US$15 M in cash and 11 M new common shares of Amara, representing 6.5% of Amara's issued and outstanding common shares (the "Sega Transaction). The Company recorded a gain on the sale of the project of $26.0 M as well as a gain of $0.26 M on the sale of property, plant and equipment relating to the Sega camp and certain capital assets. A total of $1.9 M in tax was paid to the Government of Burkina Faso on the related capital gain. Refer to Note 8 in the Interim Financial Statements for a detailed description of the significant terms of the Sega Transaction.

As part of the transaction the Company agreed to complete a 10,000 m RC drilling program which was fully funded by Amara. Total costs incurred and reimbursed upon completion of the program and the close of the transaction was $0.55 M representing all costs incurred in 2012.

Bondi Project

The Bondi gold project is a 100%-owned, shallow and structurally controlled, 4 km long shear zone hosted gold deposit that contains 282,000 oz of measured and indicated gold resources at a grade of 2.12 g/t and 149,700 oz of inferred resources at a grade of 1.84 g/t. During 2009, the Company undertook an air core drilling program to test an additional 4 km strike extension south along the Bondi structure. The program was successful and intercepted geochemical anomalies 50 times the background level of gold, along the trend on widely-spaced (≥1,000 m) drill fences. The Company is currently evaluating the potential for a northern extension to increase the resource to a level necessary to support a mining operation. The Company completed a high-resolution airborne geophysics survey in Q4 2011 to assist in the identification of high priority drill targets and initiated a metallurgical testing program to better evaluate the economic potential of the project during Q2 2012.

During the three and nine months ended September 30, 2012 expenditures increased by $0.07 M and $0.34 M respectively over the comparative prior-year periods. In 2012, the Company completed a 606-hole (2,500 m) auger drilling program and initiated a mapping and prospecting program as well as refurbishing the camp. The Company currently plans to spend approximately $0.7 M on exploration during 2012. New RC and DD targets will be defined based on the metallurgical data and auger drilling results, with a drilling program planned for H1 2013. In August formal approval of the renewal of the permit for its final 3-year term, with the mandatory 25% reduction in the permit area, was received from the Government of Burkina Faso.

Brighton Energy, Niger (Uranium)

The exploration activities in Niger are operated by Brighton, a 100%-owned[1] subsidiary of the Company holding two Niger uranium permits through its wholly owned subsidiary Niger Resources Inc. ("NIRES"). In the first three quarters of 2012 Management decided to abandon the Abelajouad, Assaouas 2 and Zéline 4 permits.

Zéline 1

During Q3 2012 the Company completed a 103 m reconnaissance drilling program, in addition to the previous work that included in Q2 2012 a 56-hole, 4,172 m and the 30-hole, 5,327 m reconnaissance drilling program conducted between Q4 2010 and Q1 2011 on the 241 km^2 Zéline 1 permit, which indicated a significant presence of uranium with 14 of 30 holes having >200 ppm eU_3O_8, in the same sequence of Carboniferous rocks along with a similar structural setting to that of the neighboring mines. The three drilling programs completed on the permit since December 2010 have identified an 83 km^2 prospective area where uranium mineralization has been mostly intersected in the Guezouman Carboniferous Formation. A total of 37 km^2 have been drilled on an 800 m pattern, and the remaining 46 km^2 have only been drilled on a 1,600 m pattern. In total, 115-holes (13,756 m) have been completed on the property. In November, the Government of Niger approved the first three-year renewal of the permit resulting in the permit being reduced to 241 km^2. The priority will now be to complete further drilling and reduce spacing to 800 m in the 46 km^2 prospective area where the uranium mineralization is shallower. A budget of 5,400 m and $500,000 is planned for 2013.

[1] On March 29, 2012, the Company acquired 5 M 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. With the completion of the Brighton Exchange, the Company now owns 100% of Brighton and its wholly-owned subsidiaries Brighton Energy Limited and Niger Resources Inc. See Note 10 in the Interim Financial Statements for a detailed description of the terms of the Brighton Exchange.

Assaouas 1

In Q2 2011 the Company announced that the 39-hole, 9,446 m reconnaissance drilling program at Assaouas 1 indicated the presence of uranium: 20 of 24 holes had >100 ppm eU_3O_8, including 534 ppm eU_3O_8 over a cumulative 5.1 m in hole AM10056. In Q1 2012 the Company completed 30 holes totaling 6,164 m of drilling on new targets located in the western portion of the permit and an additional 1,369 m was drilled during Q2 2012. There was no drilling activity during Q3 2012. The Company received its first three-year renewal of the permit from the Government of Niger in November. Upon renewal the permit was subject to a 50% surface area reduction resulting in its being reduced to 239 km^2. The priority will now be to infill, on a 400 m drilling pattern, the area around hole AM10056. A budget of 4,400 m and $420,000 is planned for 2013.

Outlook and Analysis of Expenditures

After considering permit abandonments, the Company has revised its estimated expenditures to approximately $2.2 M on exploration of its uranium properties in 2012. In the first half of 2012, the Company completed the initial scout drilling programs on its Abelajouad (2,848 m) and Assaouas 2 (1,556 m) permits and follow-up drilling programs (14,500 m) on its Assaouas 1, Zéline 1 and Zéline 4 permits. The Abelajouad, Assaouas 2 and Zéline 4 permits have been abandoned as the grade and widths did not suggest strong potential for an economic deposit. Field programs are expected to resume during 2013 now that renewals for the remaining permits have been obtained from the Ministry of Mines.

In the three months ended September 30, 2012, drilling and assaying expenses decreased by $0.06 M compared to the same period last year and were relatively unchanged for the nine months ended September 30, 2012 compared to last year. For the nine months ended September 30, 2012 a total of 18,664 m have been drilled compared to 17,393 m drilled for the nine months ended September 30, 2011. Expenses related to exploration surveys for the three and nine months ended September 30, 2012 have decreased by $0.60 M and $1.40 M respectively from the prior-year comparative periods. During 2011 the Company completed a high-resolution airborne geophysics survey on all the permits while there were no similar costs in 2012.

Financial Review

Total comprehensive income (loss) for the three and nine month periods ended September 30 was as follows:

Table 5 – Financial Information

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Expenses				
General and administrative	**797,834**	1,076,387	**2,716,708**	3,107,831
Depreciation and amortization	**293,472**	176,327	**866,158**	337,068
Share-based compensation	**1,354,071**	630,153	**3,121,513**	2,750,002
Exploration and project development	**3,244,708**	7,519,221	**16,207,249**	17,742,883
	5,690,085	9,402,088	**22,911,628**	23,937,784
Other income	**72,930**	332,670	**24,450,012**	473,732
Non-controlling interest	**-**	292,390	**339,736**	1,254,427
Net income (loss) attributable to common shareholders	**(5,617,155)**	(8,777,028)	**1,878,120**	(22,209,625)
Net change in fair value of available-for-sale financial assets	**2,484,926**	-	**2,646,809**	-
Foreign currency translation gain (loss) attributable to common shareholders	**1,215,158**	(3,444,375)	**1,450,355**	(1,338,326)
Total comprehensive income (loss) attributable to common shareholders	**(1,917,071)**	(12,221,403)	**5,975,284**	(23,547,951)
Net income (loss) per common share, basic and diluted	**(0.07)**	(0.11)	**0.02**	(0.27)

The Company is still in the exploration and evaluation phase and does not yet have revenue-generating activities. Accordingly, the Company's financial performance is largely a function of the level of exploration activities undertaken on the active projects and the administrative expenses required to operate and carry out its exploration activities as well as other items such as interest income and foreign exchange gains/losses. Below is a discussion of the major items impacting net income (loss) for the three and nine month periods ended September 30, 2012 and 2011.

Exploration and evaluation costs in the three and nine month periods ended September 30, 2012 decreased by $4.3 M and by $1.5 M respectively, compared to the same periods in 2011. The decreased expenditures during the three month period is due to reduced drilling resulting in lower costs of $4.6 M offset slightly by increased camp and infrastructure costs compared to Q3 2011. The decreased expenditures during the nine month period are mainly due to reduced costs in Niger with the completion of the high resolution airborne geophysics surveys on the uranium permits in 2011 and lower current year drilling activity at Bomboré somewhat offset by increased expenses related to preparing the NI 43-101 compliant Resource Update, work on preparing the DFS and increased camp and infrastructure costs (refer to Exploration Activity).

General and administrative costs ("G&A") include both the Company's head office G&A and local office G&A related to the Company's subsidiaries. Total G&A decreased by $0.28 M and $0.39 M respectively in the three and nine month periods ended September 30, 2012, compared to the same periods in 2011, mainly due to:

- A decrease in salaries and benefits of $55k and $74k respectively due to reduced head count at head office and the timing of incentive bonus recognition;
- A decrease in general and office expenses of $76k and $140k respectively due to reduced head office travel costs, reduced software licensing fees and a decrease in Burkina Faso withholding taxes;
- A decrease in investor relations and travel expenses of $55k for the three month period mainly due to lower travel costs and no major revisions to the Company's website in 2012;

- A decrease in public company costs of $11k and $65k respectively due to lower costs relating to directors, TSX listing fees and other filing fees; and
- A decrease in professional fees of $82k and $114k respectively due to lower audit fees in the year subsequent to the Company's transition to IFRS as well as lower audit fees incurred in Burkina and for Brighton Energy Corporation.

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 TSX. Total G&A pertaining to the Company's head office for the three and nine month periods ended September 30, 2012 is $0.51 M and $1.86 M respectively, representing a decrease of $231k and $417k respectively over the same periods in 2011, mainly due to lower head count, public company costs and professional fees as a result of lower audit and TSX fees.

Share-based compensation expense recognized during the three month period ended September 30, 2012 increased $724k over the comparative prior year period, mainly due to:

- The acceleration of the expense ($953k) relating to 2,294,000 options forfeited during the quarter by Directors and Officers, employees and consultants offset by a $352k decrease relating to expenses recorded on the same options in 2011;
- A $204k expense increase related to 2,072,900 options granted during Q2 2012 to the Company's Directors and Officers, employees and contractors; and
- A $62k expense decrease related to grants fully vested before Q3 2012.

Share-based compensation expense recognized during the nine month period ended September 30, 2012 increased $372k over the comparative prior year period, mainly due to:

- The $953k increase relating to the option forfeiture offset by a $1.3 M decrease relating to expenses recorded on the same options in 2011;
- A $1.04 M expense increase related to the Q2 2012 grant; and
- A $296k expense decrease related to grants fully vested prior to 2012.

Although a greater number of options were granted in the nine months ended September 30, 2012 as compared to the same period in 2011, the related expense is lower as a result of the lower grant date fair values of the Q2 2012 option grant (C$0.56 – C$0.93) vs. 2011 (C$1.41 – C$2.98). The parameters used in the Black-Scholes valuation included a strike price range of C$4.00 to C$4.85 in 2011 vs. C$1.70 in 2012, a grant date market price range of C$3.59 – C$4.83 in 2011 vs. C$1.41 – C$1.69 in 2012 and a risk-free interest rate range of 2.24% - 2.68% in 2011 vs. 1.43% in 2012.

Offsetting the increase in net income (loss) and net income (loss) per share were the following items:

- On May 23, 2012, the Company completed the sale of Sega to Amara and received US$15 M cash and 11 M new common shares of Amara. The gain on the sale of the Sega exploration property and certain property, plant and equipment sold as part of the transaction was $24.3 M, net of $1.9 M in income tax expense paid to the Government of Burkina Faso. There is no corresponding gain, loss or income tax expense in the prior periods;
- Foreign exchange gain in the three and nine month periods ended September 30, 2012 decreased by $0.21 M and by $0.16 M respectively over the same periods in 2011, mainly due to a slight depreciation of the Euro/CFA and US$ currencies versus C$;
- Interest income for the three and nine month periods ended September 30, 2012 decreased by $0.04 M and $0.20 M respectively over the comparative prior year periods as a result of significantly higher treasury balances during the first three quarters of 2011 following the December 2010 net financing of C$50.9 M; and
- On March 29, 2012 the Company completed the Brighton Exchange and acquired the remaining 33% minority interest in Brighton, thereby eliminating the non-controlling interest ("NCI") in future quarters. In the nine month period ended September 30, 2012, the NCI share of the net income (loss) decreased by $0.91 M from the prior-year comparative period. The Company's NCI represented equity interests in Brighton owned by outside parties. Under IFRS, income or loss as well as a portion of the accumulated other comprehensive income had to be attributed to the NCI.

Summary of Quarterly Results

The following summarized financial data has been prepared in accordance with IFRS. This data should be read in conjunction with the Company's condensed consolidated interim financial statements and consolidated annual financial statements for the respective periods. All net income (loss) figures in the table are presented in US$ millions, except for the net income (loss) per common share amounts (basic and diluted).

Table 6: Quarterly Results

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
	$	$	$	$	$	$	$	$
Net income (loss) attributable to common shareholders	(5.62)	17.19	(9.70)	(8.06)	(8.78)	(8.20)	(5.23)	(2.67)
Net income (loss) per share, basic	(0.07)	0.20	(0.12)	(0.09)	(0.11)	(0.10)	(0.06)	(0.04)
Net income (loss) per share, diluted	(0.07)	0.19	(0.12)	(0.09)	(0.11)	(0.10)	(0.06)	(0.04)

The decrease in net loss during Q3 2012 compared to previous quarters is mainly due to lower exploration expenses. The net income for the three months ended June 30, 2012 resulted mainly from the gain on sale of the Sega project. Variations in net losses over the four quarters in 2011 and the increase in net loss as compared to 2010, resulted primarily from an increased spend on exploration and evaluation activities.

Liquidity and Capital Resources

The Company had cash of $23.63 M at September 30, 2012, a decrease of $5.07 M compared to the $28.70 M cash position at December 31, 2011.

The Company also has 11 M common shares of Amara that were received on May 23, 2012 upon the completion of the sale of the Sega project. The shares held by the Company are classified as marketable securities available-for-sale and are carried at fair value, which is based on the market quote on the London Stock Exchange. At September 30, 2012, the 11 M common shares of Amara are recorded at their fair market value of $14.28 M based on the closing market price on September 28, 2012 and converted to USD. Changes in the fair value of the common shares from the transaction closing date of May 23, 2012 to September 30, 2012 are recorded as a $2.65 M investment revaluation reserve in other comprehensive income.

The Company has no cash flow generating operations and its long-term financial success is highly dependent on Management's ability to discover economically viable mineral deposits. The Company has sufficient capital resources to pursue its exploration and feasibility programs on its projects in 2012 based on its September 30, 2012 net working capital balance of $22.80 M, which includes net cash proceeds of approximately $14.92 M from the sale of its Sega project that was completed during Q2 2012 less the related $1.90 M capital gain tax paid to the Government of Burkina Faso. Additional financing will be required in the future should the Company decide to bring one of its projects into production. There can be no assurance that the Company will be able to obtain adequate financing in the future to fund such activities or that the terms of such financing will be favorable.

Use of Proceeds from 2010 Financings

On January 26, 2010, the Company completed a C$10,005,000 (US$9,470,844) equity financing that resulted in net proceeds of C$9,155,779 (US$8,666,640). On December 21, 2010, the Company completed a C$53,906,250 (US$53,246,000) equity financing that resulted in net proceeds of CAD $50,934,774 (US$50,308,350).

The table below provides a summary of the January 26, and December 21, 2010 financings (the "2010 Financings"), broken down by the use of proceeds categories disclosed in the Company's short-form prospectuses. Approximate actual expenditures by 2010 Financing Category for all of 2010, 2011 and 2012 are also presented in the table for comparative purposes. All figures in the table are presented in US$ millions.

Table 7 – Use of Proceeds from 2010 Financings[1]

2010 Financing Categories	January 2010 Prospectus	December 2010 Prospectus[2]	Total 2010 Financings	Actual expenditures from January 1, 2010 to September 30, 2012
	$	$	$	$
Bomboré gold project exploration and development	3.81	26.83	30.64	38.92
Sega gold project exploration	1.43	3.22	4.65	1.03
Bondi gold project exploration	0.48	2.15	2.63	0.57
Niger Uranium Project Exploration	0.00	0.00	0.00	1.23
Regional project generation and exploration	0.95	1.07	2.02	0.15
General and administrative expenses	2.29	17.04	19.33	9.59
Underwriting fees	0.51	2.94	3.45	3.74
Total use of proceeds	**9.47**	**53.25**	**62.72**	**55.23**

[1] The table is prepared based on accrual-based expenses.

[2] The over-allotment option was exercised on the December 2010 financing and as a result it has been allocated to the financing categories on a pro-rata basis.

The Company anticipates having sufficient funds to complete a full DFS on the Bomboré gold project in 2013.

The Company incurred capital expenditures of $4.76 M from January 1, 2010 to December 31, 2011 relating to all of its projects, as well as $1.20 M to acquire additional exploration interests in Niger, which were funded by cash on hand prior to the 2010 financings, proceeds on stock option and warrant exercises during 2010 and 2011, and interest income and foreign exchange gains on the proceeds of the above-mentioned financings.

Share Capital Information

As at September 30, 2012, the Company had 85,624,531 common shares outstanding (fully diluted – 91,575,931).

On March 29, 2012, the Company completed the Brighton Exchange transaction, which resulted in the issuance of 1,818,000 common shares at a volume-weighted average price of C$2.71 per share. As a result, the Company recorded a $4.93 M increase to share capital.

As at September 30, 2012 , the Company also has the following outstanding stock options:

Table 8 – Stock Options Outstanding as at September 30, 2012

	Outstanding			Exercisable	
Range of exercise prices	Outstanding options	Remaining contractual life	Weighted-average outstanding exercise price	Vested options	Weighted-average vested exercise price
C$		(in years)	C$		C$
$0.00 to $0.49	3,175,000	6.59	0.39	3,175,000	0.39
$0.50 to $0.99	438,500	7.77	0.85	438,500	0.85
$1.00 to $1.99	2,072,900	4.57	1.70	720,972	1.70
$2.00 to $2.99	200,000	8.05	2.35	200,000	2.35
$3.00 to $3.99	60,000	9.23	3.75	-	-
$4.00 to $4.99	5,000	8.36	4.00	-	-
	5,951,400	**6.05**	**0.98**	**4,534,472**	**0.73**

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.

Contractual Obligations

As at September 30, 2012, the Company had contractual obligations for drilling activities, resource update costs, preparation of the 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.

Off Balance Sheet Agreements

The Company does not have any off-balance sheet agreements.

Transactions with Related Parties

The Company has no transactions with related parties as at, or for the three and nine month periods ended September 30, 2012.

Proposed Transactions

The Company continually reviews potential merger, acquisition, investment and other joint venture transactions that could enhance shareholder value, however, at the current time, there are no reportable proposed transactions.

Risks and Uncertainties

The Company is in the business of exploring for minerals and if successful, ultimately mining them. The natural resource industry is by its nature, both cyclical and with significant risks as listed below. Even though Management has been successful in the past in developing economic deposits there is no assurance that the Company's projects will become economically viable. Once a potentially economic deposit is identified, the Company's ability to establish a profitable mining operation is subject to a host of variables including technical considerations, economic factors and regulatory issues. Many of these are beyond the control of the Company. The most significant risks and uncertainties faced by the Company are (in no specific order):

- Impact of fluctuations in the gold price;
- Risk of political instability and/or changes in government regulations affecting our permits in Burkina Faso and Niger;
- Foreign currency risk;
- Risk that the Company will not find mineralization that is economic to extract;
- Technical and market factors affecting the Company's ability to bring a deposit into production;
- General economic risk;
- Financing risk;
- Title risk;
- Environmental risk; and
- Risks related to the Company's reliance on a small number of key individuals to carry out its mandate.

For a more detailed discussion of the above risk factors, refer to the Company's Annual Information Form filed for the year ended December 31, 2011.

As of January 1, 2012, the Company is now also subject to the following risk:

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.

Accounting Standards, Amendments and Interpretations Recently 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.

International Accounting Standard 12, "Income Taxes" ("IAS 12")

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.

Recently Issued Accounting Pronouncements

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.

Critical Accounting Estimates

The preparation of the Interim Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the consolidated 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 and property, plant and equipment. Significant estimates include share-based compensation related to stock options and warrants, the useful lives of property, plant and equipment and the carrying values of non-financial assets.

Controls and Procedures

Disclosure controls

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to Management as appropriate to allow timely decision-making regarding required disclosures. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have concluded, based on their evaluation of the effectiveness of the Company's disclosure controls and procedures, that these controls and procedures provide reasonable assurance that material information is made known to them by others within the Company. However, a control system, no matter how well conceived, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal control over financial reporting

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings". The Company's ICFR is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. ICFR should include those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorizations of the Company's Management and Board; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives due to its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to error, collusion, or improper override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis. It is possible to design into the financial reporting process safeguards to reduce, though not eliminate, this risk.

Management, including the CEO and CFO, has assessed the effectiveness of internal controls over financial reporting as of September 30, 2012 and concluded, subject to the limitations noted above, that the Company has sufficient controls to meet the requirements as stated above. The assessment was completed using the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") *Changes in Internal Controls*.

There have been no significant changes to internal controls in the three month period ended September 30, 2012.

Forward Looking Statements

Management's Discussion and Analysis of Financial Condition and Total Comprehensive Income (Loss) for the three and nine month periods ended September 30, 2012 (the "MD&A") may contain or refer to certain forward-looking statements relating, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs and capital costs, the ability to demonstrate the economic feasibility of the mineral deposits to a level up to and including that of a definitive feasibility study, the ability to obtain adequate financing as needed in the future to fund ongoing exploration or production activities and the timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals and sufficient financing, inflation, changes in exchange rates, changes in market prices of securities held, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Cautionary Note to U.S. Investors Concerning Resource Estimates

The resource estimates in the MD&A were prepared in accordance with National Instrument ("NI") 43-101 adopted by the Canadian Securities Administrators. The requirements of NI 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC"). The MD&A uses the terms "measured", "indicated" and "inferred" resources. Although these terms are recognized and required in Canada, the SEC does not recognize them. The SEC permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute "reserves". Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a measured or indicated resource will ever be converted into "reserves". Further, "inferred resources" have a great amount of uncertainty as to their existence and whether they can be mined economically or legally, and United States investors should not assume that "inferred resources" exist or can be legally or economically mined, or that they will ever be upgraded to a higher category.

Qualified Persons

Dr. Pascal Marquis, P. Geo., Senior Vice President of Exploration, the Company's qualified person under NI 43-101, supervises all work associated with exploration and development programs in West Africa. Mr. Claude Poulin, Project Manager for Bomboré, and Mr. Ron Little, P. Eng., the President and Chief Executive Officer, are also qualified persons under NI 43-101.

Other MD&A Requirements

All relevant information related to the Company is filed electronically at **www.sedar.com**.