OREZONE GOLD CORPORATION

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

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014

November 14, 2014

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, 2014, 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, 2014 ("Interim Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim reporting periods. 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, 2013. All dollar amounts in this MD&A are in United States dollars, unless otherwise specified. References to "$" or "US$" are to United States dollars, references to "C$" are to Canadian dollars and references to "CFA" are to Communauté Financière Africaine francs. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates (the "functional currency"). The Company's functional currency is the Canadian dollar. This MD&A has taken into account information available up to and including November 14, 2014.

This MD&A contains forward-looking statements (see "Forward Looking Statements" below for a full discussion on the nature of forward-looking statements). Statements regarding the adequacy of cash resources to carry out our exploration and development programs or the need for future financing are forward-looking statements. Statements regarding the potential for expansion of current National Instrument 43-101 ("NI 43-101") qualified resources, expected results including, but not limited to, targeted economic parameters and production levels for Bomboré, planned expenditures on the Company's projects, completion of a feasibility study (including related timing), completion of drill programs, planned expenditures for the year and obtaining a mining permit (including related timing and milestones) and becoming a gold producer 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 Company's board of directors (the "Board of Directors" or the "Board") 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. 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, Management and the 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 became the fourth largest African gold producer in 2012 with much of this production coming from Essakane. Burkina Faso has similar geology, but is relatively underexplored, compared to the neighbouring 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. During Q3 2014, the Company's main focus continued to be the advancement of the Bomboré gold project towards a production decision. As a result of more challenging financial markets, in May 2013 the Company decided to reduce its total planned exploration and feasibility expenditures for 2013 to $10.2M by postponing any further drilling at Bomboré, Bondi and Brighton projects. Subsequently, Management announced its intent to shift the focus of the Bomboré Feasibility Study ("FS") in order to assess a lower capital cost heap leach ("HL") scenario, as outlined in the August 2011 Preliminary Economic Assessment ("PEA") which was completed in Q1 2014. In July 2014 the Company initiated a second round of metallurgical tests. The work is designed to emulate a modified flowsheet that combines heap leaching with agitated leach tanks. The Company is focused on the completion of a FS based on this hybrid approach and completing an application for a mining permit for the Bomboré project in H1 2015. The Company plans to spend a maximum of $11.8M[1] in 2014. Approximately $2.9M[2] and $7.6M[2] in expenses were incurred in the three and nine month periods ended September 30, 2014 against this planned spend. The planned spend includes work needed to apply for the mining permit including all exploration, feasibility work as well as corporate and local G&A for 2014. Given the current estimated timelines for the completion of the FS and mining permit application, some of the external costs associated with the planned expenses will not be incurred until H1 2015. Further the planned spend of $11.8M does not include corporate or local G&A beyond December 31, 2014.

The following table provides the resources on the Company's projects using the standards of National Instrument 43-101:

Table 1 – Total Resources by Project

Category	Tonnes	Grade	Contained Gold	Date Released
	(M)	(Au g/t)*	(oz)*	
Bomboré (Constrained to $1,400 pit shell)				
Total Measured and Indicated resources	139.8	1.01	4,560,000	April 2013
Total Inferred resources	18.4	1.22	723,000	
Oxide and Transition M&I resources only	67.1	0.91	1,963,000	April 2013
Oxide and Transition Inferred resources only	6.4	0.92	189,000	
Bondi				
Measured and Indicated resources	4.1	2.12	282,000	February 2009
Inferred resources	2.5	1.84	150,000	
Total				
Measured and Indicated resources	**144.0**	**1.05**	**4,843,000**	
Inferred resources	**21.0**	**1.30**	**873,000**	

* Using a lower cut-off grade of 0.45 g/t for oxide, 0.45 g/t for transition and 0.50 g/t for fresh material for Bomboré, and 0.50 g/t for all material at Bondi.

Significant developments during, and subsequent to, the three month period ended September 30, 2014 included:

Bomboré

- On July 10, 2014, the Company provided an update to the ongoing feasibility work and drill program. It announced that gold recovery and extraction had improved from previous results. A second round of metallurgical tests has commenced. With completion of this drilling program a total of 50,000 m of drill results will be included in the next resource update planned for Q1 2015.
- On September 8, 2014, the Company announced additional positive metallurgical test results from the ongoing feasibility work on the Bomboré permit and it also provided drill results from the 50,000 m of drilling that was not included in the April 2013 resource update. The Company also announced that a prefeasibility study level assessment for the design and capital cost of a combined heap leach pad and tailings facility had been completed.

[1] This figure has increased from the amount shown at June 30, 2014 due to higher estimated costs of completing the FS for Bomboré given the change in focus to a hybrid processing scenario and the additional associated costs.
[2] These are expenses incurred (recorded on an accrual basis) and exclude depreciation and share based compensation. The amount generally includes components of comprehensive income and income taxes, however excludes the realized gain on sale of AFS investment.

- In September 2014, the Company applied for a one-year extension on the Bomboré exploration permit as it works through the final phases of completing the feasibility study and completing an application for a mining permit during H1 2015. On October 17, 2014 the Company received notification that the request has been approved by the Ministry of Mines of Burkina Faso; the applicable fees have been paid, however the Company has not yet received the final title document evidencing the extension.
- On October 14, 2014, the Company announced that Joseph Conway has joined the Board of Directors. Mr. Conway was awarded 300,000 stock options with a strike price of $0.75. One-third of the options vest immediately, with the remaining vesting in two equal tranches on the first and second anniversary of the grant.
- In October 2014, a civil unrest ensued in connection with a public protest against the President of Burkina Faso's desire to change the constitution and allow him to run for another term in office in the November 2015 elections. This ultimately resulted in the resignation of the President and the dissolution of the Government. The military subsequently assumed leadership of the country and is working towards a transition to civilian rule. Resulting from these events, the Company temporarily halted activities at its office in Ouagadougou as well as the Bomboré camp after sustaining minor damage to the camp from vandals.
- On November 10, 2014, the Company announced that regular operations were progressively resuming in Burkina Faso with normal office activities in Ouagadougou starting on November 4th and Bomboré site environmental monitoring resuming on November 6th.

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, 2014 and 2013. All figures are presented in US$, except for meters drilled.

Table 2 – Exploration and Evaluation Costs

Three month period ended September 30, 2014	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**6,173**	345,081	377,698	1,382,484	73,129	**2,178,392**
Bondi	**-**	190	4,720	-	542	**5,452**
Total	**6,173**	**345,271**	**382,418**	**1,382,484**	**73,671**	**2,183,844**

Three month period ended September 30, 2013	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**-**	-	335,800	176,228	49,885	**561,913**
Bondi	**-**	-	20,876	561	28,965	**50,402**
Brighton, Niger (Uranium)	**-**	-	4,525	-	132	**4,657**
Total	**-**	**-**	**361,201**	**176,789**	**78,982**	**616,972**

Nine month period ended September 30, 2014	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**25,000**	1,482,364	1,145,918	2,731,683	175,066	**5,535,031**
Bondi	**-**	7,253	20,652	-	36,443	**64,348**
Total	**25,000**	**1,489,617**	**1,166,570**	**2,731,683**	**211,509**	**5,599,379**

Nine month period ended September 30, 2013	Meters Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**21,658**	1,436,275	1,532,265	2,512,965	238,188	**5,719,693**
Bondi	**7,078**	719,870	147,009	70,747	99,248	**1,036,874**
Brighton, Niger (Uranium)	**-**	-	90,787	-	9,676	**100,463**
Total	**28,736**	**2,156,145**	**1,770,061**	**2,583,712**	**347,112**	**6,857,030**

Bomboré Project

Orezone is developing its wholly-owned Bomboré project towards transition into a mining operation. Bomboré is situated 85 km east of the capital city, Ouagadougou, and is adjacent to an international highway with access to sufficient water, power and a local labour force. The project benefits from a large oxide resource (average depth 45 m) that sits above a large sulphide resource. The average depth of over 430,000 m of drilling to date is 120 m and the sulphide resource reaches depths of 200 m within the CIL optimized pit shells that constrain the resource. Since 2011, the Company has been examining various scenarios to develop the project in stages to reduce the initial capital requirements. In June 2013, the Company postponed the completion of the oxide material CIL FS and switched its development focus from an 8 Mt/yr Phase I oxide-only CIL operation to a 5.5 Mt/yr Phase I oxide-only HL scenario. The Company completed an updated PEA on the HL scenario that was released and filed during Q1 2014. The Company has further optimized the planned processing method which will employ a hybrid approach using an agitated leaching circuit ("ALC"). Tests indicate gold recoveries can be increased from 79% to 87% and with the addition of an upfront scrubber and screen, gold recovery testing has estimated the recovery to be 88%, with all size fractions showing excellent percolation rates and gold extraction in the 80 and 90 percent range. Along with the increased recoveries, the Company expects operating costs to be lower due to less cement required, partially offset by additional capital requirements needed for the additional equipment. An initial study that combines the heap leach and tailing facility was completed during Q3 2014 with positive results and work has now begun to optimize the design to a full feasibility study level. In addition, the Company is optimizing its open pit mine design and is exploring the use of a more versatile mining fleet made up of smaller trucks and shovels than the fleet in the 2014 PEA that could represent a significant capital cost savings, improved operating costs and a reduction in the strip ratio. The mine plan is scheduled for completion in Q1 2015. The Company plans to complete the FS and submit a mining permit application in H1 2015. In addition the Company has commenced a resource update that will include 50,000 m of additional drilling. Data validation and geological modeling is in progress and the updated resource is scheduled to be completed and released in Q1 2015.

On April 29, 2013, the Company announced an updated NI 43-101 compliant resource statement (the "2013 Resource") that includes 4.56M oz Measured & Indicated ("M&I") (140M t @ 1.01 g/t) and 0.72M oz Inferred (18M t @ 1.22 g/t). This includes a near surface oxide and transition resource of 1.96M oz M&I (67M t @ 0.91 g/t) that averages 45 m in depth from surface. The 2013 Resource includes an additional 67,023 m (37,249 m of RC and 29,774 m of core) of drilling that was not included in the previous resource released on August 27, 2012, for a total of 404,648 m (to an average vertical depth of 120 m), including 259,025 m of RC (4,170 holes) and 145,623 m of DD (926 holes) and represents an increase of 0.49M oz M&I resources. The 2013 Resource is constrained within CIL optimized pit shells ($1,400/oz gold price) that span 11 km, and remain open at depth and, for the most part, along strike. The 2013 Resource was estimated using the results of the technical studies of the CIL scenario FS and relevant cost estimates for current mining, processing and G&A of comparable Burkina Faso mines.

In June 2013, the Company postponed the completion of the oxide-only CIL FS due to poor market conditions and returned its focus to developing the project with an initial phase HL operation. The Company completed and announced the positive results of the update to the heap leach PEA in early 2014. The updated HL PEA was completed by G Mining Services Inc. ("GMS"), Kappes, Cassiday & Associates ("KCA"), and Golder Associates Inc. ("Golder").

Much of the CIL FS work (technical studies) completed to date has been incorporated into the PEA update for the HL scenario. The PEA used only the M&I oxide and transition resources from the 2013 Resource along with current operating and capital cost estimates. It should be noted that the sulphide resources are not amenable to heap leaching and are not included in the HL mine plan. In Q1 2014, the Company commenced the detailed heap leach metallurgical and comminution testwork including cement agglomeration and compaction-permeability tests, column leach tests, geotechnical drilling and a gap analysis of the Environmental and Social Impact Assessment ("ESIA") and Resettlement Action Plan ("RAP"). These technical studies are expected to be completed during H1 2015. Upon completion of an ESIA and RAP, which require sign-off by the local population, the Company plans to complete the FS and submit a mining permit application in H1 2015.

During Q2 2014, positive metallurgical results from the ongoing feasibility work on the Bomboré permit were announced. A second round of metallurgical tests using 2.2 tonnes of oxide core commenced during the month of July. Test results also indicated that the scrubbed crushed material shows acceptable characteristics to be used as material over the heap leach liner, reducing the cost to acquire gravel from local quarries for this purpose. Preliminary metallurgical testwork results indicate just under 50% of the oxide material (>0.212 mm) will be processed on the HL side of the circuit and recoveries are expected to be in the 82-88% range. The remaining 50% of the oxide material (<0.212 mm) will be processed through a simple CIL circuit without grinding and recoveries are expected to range between 87-92%. The final metallurgical results from this new program are now expected in Q4 2014, with environmental results on the process residues expected during Q1 2015.

During Q3, 2014 work continued on the design of the combined heap leach and tailings facility. In September 2014, the Company announced that the initial prefeasibility study level assessment for the design and capital cost of the combined heap leach pad and tailings facility provides for up to 45% more capacity (65 Mt) and preliminary results indicate that the unit cost estimates (per tonne) are in line with those of the heap leach pad (45 Mt) in the PEA. The approach of combining the two facilities saves both space and capital which benefits both the community and the project. In Q3 2014, work continued to update the open pit optimizations and develop a new mine plan based on the April 2013 resource model for the FS. In October 2014, the Company announced that as part of the work, it is exploring the use of a more versatile mining fleet made up of smaller trucks and shovels compared to the fleet in the 2014 PEA. Overall this change could represent a significant savings in capital costs, improved operating costs and reduction in the strip ratio. These improvements could lead to an expansion in the mine plan from the current resources used in the PEA with only a marginal reduction in grade while maintaining or improving on the ROI of the project outlined in the PEA. The mine plan is scheduled for completion in Q1 2015.

On November 2, 2014, the Bomboré camp was vandalized with damages to the camp amenities estimated at approximately USD $62K. The Company is assessing the timing of replacing or repairing damaged equipment and facilities. The Company has increased security at the camp and no additional acts of vandalism have occurred to date.

2013 Resource

The Mineral Resource Statement (Table 3) was prepared by SRK Consulting (Canada) Inc. ("SRK") from Toronto. The mineral resources are constrained within conceptual open pit shells prepared by GMS using parameters established by GMS in January 2013 and taking into account the FS results of the metallurgical and geotechnical testwork. It should be noted that these parameters are based on a CIL operation. The total resource (oxide and sulphide) spans an area over 11 km long and up to 1 km wide with an estimated stripping ratio (prior to final mine design) of 2:1. The majority of the total resource occurs within the top 120 m, where approximately 90% of the drilling was completed to date, but pit shells can reach a depth of 200 m. The mineralization remains open at depth and for the most part along strike.

During Q3 2014, the Company completed a 21,383 m RC infill drilling program in the Bomboré North resource model area to improve the current mine plan and upgrade the current resources. The Company expects to update the 2013 resource model with a total 50,000 m of additional drill results in Q1 2015. The additional drilling will also allow the Company to confirm or sterilize untested targets, which will facilitate the optimization of the FS layout.

Table 3 - 2013 Mineral Resource Statement* for the Bomboré Deposit, Burkina Faso, West Africa, SRK Consulting (Canada) Inc., April 26, 2013, 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
North:										
Laterite/Oxide	0.45	13.57	0.95	417	14.20	0.82	375	2.04	0.88	57
Transitional	0.45	9.22	0.93	275	5.84	0.92	173	0.79	1.00	25
Fresh	0.50	22.04	1.00	711	11.98	1.29	497	4.42	1.63	232
Sub-total		**44.83**	**0.97**	**1,402**	**32.02**	**1.02**	**1,046**	**7.25**	**1.35**	**315**
South:										
Laterite/Oxide	0.45	8.11	0.94	246	4.55	0.86	126	1.66	0.89	48
Transitional	0.45	7.49	0.89	214	2.99	0.96	92	1.35	0.96	41
Fresh	0.50	20.58	1.02	674	15.27	1.19	584	5.46	1.26	222
Sub-total		**36.17**	**0.98**	**1,134**	**22.80**	**1.09**	**802**	**8.46**	**1.14**	**311**
Southeast:										
Laterite/Oxide	0.45	0.24	1.33	10	0.37	1.05	12	0.30	0.97	9
Transitional	0.45	0.25	1.53	12	0.34	0.97	11	0.24	0.97	7
Fresh	0.50	1.53	1.44	71	1.32	1.43	61	2.18	1.15	81
Sub-total		**2.03**	**1.44**	**94**	**2.02**	**1.28**	**83**	**2.71**	**1.12**	**97**
Combined:										
Laterite/Oxide	0.45	21.92	0.95	673	19.11	0.84	514	4.00	0.89	115
Transitional	0.45	16.96	0.92	501	9.16	0.94	275	2.37	0.97	74
Sub-total	0.45	**38.88**	**0.94**	**1,174**	**28.27**	**0.87**	**789**	**6.37**	**0.92**	**189**
Combined:										
Fresh	0.50	44.14	1.03	1,456	28.56	1.24	1,142	12.05	1.38	534
Total		**83.03**	**0.99**	**2,630**	**56.83**	**1.06**	**1,931**	**18.42**	**1.22**	**723**
Total M+I		**139.86**	**1.01**	**4,561**						
Total M+I Oxidized		**67.16**	**0.91**	**1,964**						

* 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 gold price of US$1,400 and the cut-off grades from the previous resource estimation have been retained for comparison purposes. The average calculated mining cut-off grades based on the assumptions considered for the current pit optimization are 0.29, 0.33 and 0.57 g/t for the oxide, transition and fresh resources respectively. Reported within conceptual open pit shells optimized considering a carbon-in-leach ("CIL") process option.

Table 4 - 2013 Mineral Resource[1] Whittle Pit Sensitivity to Gold Price, CIL Processing Scenario

	Measured and Indicated Oxide + Transition + Fresh					Measured and Indicated Oxide + Transition Only			
Gold Price US$/oz	Total Tonnage (Mt)	Au Metal (Moz)	Au Grade (g/t)	Strip Ratio [2]		Total Oxide Tonnage (Mt)	Au Metal (Moz)	Au Grade (g/t)	Strip Ratio [2]
1,000	69.8	2.44	1.09	2.1		50.0	1.48	0.92	1.6
1,100	91.4	2.95	1.00	2.0		61.5	1.67	0.85	1.5
1,200	114.3	3.44	0.94	1.9		74.0	1.86	0.78	1.4
1,300	140.6	3.96	0.88	1.9		87.3	2.03	0.73	1.3
1,400	165.5	4.42	0.83	1.8		98.9	2.18	0.68	1.2
1,500	193.0	4.88	0.79	1.7		113.2	2.34	0.64	1.1
1,600	226.2	5.43	0.75	1.7		128.4	2.49	0.60	1.0
1,700	260.6	5.98	0.71	1.6		143.0	2.64	0.57	1.0

[1] 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.

Resources are inclusive of 5% mining losses and 5% dilution with zero grade. Total tonnage is from pit shells optimized on Measured and Indicated blocks of oxide, transition and fresh material. Oxide tonnage is from pit shells optimized only on the Measured and Indicated blocks of oxide and transition material. The economic cut-offs averaged 0.29, 0.33 and 0.57 g/t for oxide, transition and fresh resources respectively.

[2] The strip ratio is that of the resource whittle shell and is expected to increase for the detailed pit designs.

Drilling on the Bomboré property, geological modeling and the mineral resource estimates were supervised by Pascal Marquis, Geo., Ph.D., Senior Vice President, a Qualified Person, as defined by National Instrument 43-101. The mineral resource estimate was prepared by Dorota El-Rassi, P.Eng. and Glen Cole, P.Geo. of SRK; who 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; who is an Independent Qualified Person as defined by National Instrument 43-101.

Bomboré Regional Exploration Potential

Reconnaissance mapping and prospecting on the Toéyoko permit to the southwest of the Bomboré current qualified resources identified two promising targets. The southern portion of the P13 target has confirmed gold mineralization in carbonaceous meta-argillite (similar to the P16 deposit) over a strike length of 3.5 km. The second target, P17S, is located 1,600 m to the south of the P17 deposit.

The additional 21,000 m drilling program started in Q2 2014 and was completed in Q3 2014 with 6,173 m of RC drilling in July. Approximately 500 m of core drilling from the 2014 program was focused on the P17S target located along the main shear zone trend. Results from 22 core and 7 RC holes completed to date indicate a deformed and shallowly dipping granodiorite unit that averages 7.1 m in thickness (true width is approximately 85%) with an average uncut grade of 2.71 g/t (using a 0.5 g/t cutoff). The drilling extends over an area of about 1 hectare with an average depth to the mineralized unit of only 28 m; the deepest intersection is 55 m below surface. Projecting the geology to a depth of 100 m could double the prospective area. All assays were performed using a 1kg bottle roll technique (identical to the other Bomboré samples) with indicative cyanide soluble recoveries over 95%. Although these results are interesting with grades more than double the average grade of the Bomboré resource, further drilling is not likely to occur until after the Bomboré oxide deposit is developed.

Economics and optimal mining scenario, 2014 PEA

The 2014 PEA evaluated the potential of a Phase I open pit heap leach scenario for the Bomboré project using only the oxidized measured and indicated resources from the 2013 Resource. The base case financial model yields an after tax IRR of 23.9% to Orezone with a mine plan optimized to deliver better grade in early years, revenues using a $1,250 gold price and current costs based on operations in the region. The after tax IRR improves to 37.1% from revenues at a $1,500 gold price, based on the same mine plan.

The study was completed by GMS and included input from KCA and Golder. The heap leach mineable resource is limited to only the measured and indicated near-surface saprolite and transition resources (average depth of 45 m) which includes 44.7 Mt grading 0.88 g/t for 1.3 Moz. The sulphide resources, although extensive, indicate relatively poor heap leach gold recoveries and could be processed later under a CIL expansion scenario in better gold price and capital market conditions. GMS did not audit the 2013 SRK NI 43-101 resource update. In the PEA, the initial capital costs were estimated on the basis of Q3 and Q4 2013 quotes on equipment and databases for similar projects in West Africa and South America.

Subsequent metallurgical test results indicate that overall gold recoveries can be increased from 79% to 87% and the requirement for cement agglomeration can be reduced with the implementation of the hybrid approach. With the addition of an agitated leach circuit (ALC) and an upfront scrubber, fine material (<0.212 mm) can be separated and sent directly to the ALC without grinding. The ALC will lower production risks by removing the fine soft oxide material from the HL circuit that would otherwise require high cement agglomeration. The remaining coarse material would go directly to the HL pad to a height of 64 m without agglomeration or interlift liners. The reduction in cement consumption will offset the cost of the additional power required for the ALC. Test results on the scrubbed crushed material continue to show that it is acceptable for use as over liner material on the leach pad reducing the capital cost of crushing and screening gravel from local quarries. The 2014 PEA included approximately $20M of total capital expenditures for gravel over liner material which will be significantly reduced with the hybrid approach. These savings would be partially offset by the additional capital costs of the ALC. Additionally a prefeasibility study level assessment completed in Q3 2014 for the design and capital cost for combining the heap leach pad and tailing facility indicated that on a capital cost per tonne basis, results were in line with the PEA for an enlarged in capacity of 65 Mt as compared to 45 Mt in the PEA. The increased design height will save both space and capital to the benefit of the local population and the project. Work has begun to optimize the design to a full feasibility study level and to improve the capital cost estimates.

The use of a more versatile mining fleet consisting of smaller trucks and shovels than the fleet in the 2014 PEA could also represent a significant capital cost savings, improved operating costs and reduction in the strip ratio. These improvements could lead to an expansion in the mine plan from the current resources used in the PEA with only a marginal reduction in grade while maintaining or improving on the project returns outlined in the PEA.

Summary of 2014 PEA Base Case Financials:

The base case assumptions include revenues using a gold price of $1,250 and current prices for fuel, reagents, labour, mining and other current costs from operations in the region as of Q3 2013. The financial highlights are as follows:

Table 5 - 2014 PEA Base Case Financial Highlights

Base Case Financials Description	Heap Leach
Mineral Resource [1] used in Mine Plan (ounces)	1,271,567
Average Grade (g/t)	0.88
Processing Throughput (Mt/yr)	5.5
Mine Life (years)	8.1
Average Annual Production (ounces)	123,000
Gold Production (ounces recovered)	1,008,000
Waste to Ore Strip Ratio	1.63
Gross Revenue ($M)	$1,256.2
Direct Cash Cost ($/oz)	$627
Operating Cost ($/oz)	$677

Base Case Financials Description	Heap Leach
Initial Capital ($M)	$180.0
Sustaining Capital ($M)	$53.8
Closure Costs ($M)	$10.0
Orezone (2)	
NPV after tax (0%) ($M)	$246.6
NPV after tax (5%) ($M)	$158.9
IRR after tax	23.9%
Government (3)	
NPV (0%) with taxes ($M)	$135.5
NPV (5%) with taxes ($M)	$102.3

*(**1**) 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.*
*(**2**)Represents Orezone's Burkina Faso subsidiary cash flows net of royalties and local taxes. The Government of Burkina Faso benefits from its 10% free-carried shareholding, the gold royalty, corporate tax and withholding taxes.*
*(**3**) Government cash flows are underestimated as customs fees and duties on imports and indirect taxes built into the delivered fuel price have not been incorporated.*
All figures in USD.
Exchange Rates: XOF : USD = 485. XOF : EURO = 655.96

Feasibility and infrastructure work

The Company plans to continue with the ongoing technical studies of the FS to examine the potential for a 5.5M t/yr open pit hybrid process operation that could commence operations in late 2016 with a targeted production of 123,000 oz/yr, all dependent upon ongoing studies, total project financing and permitting. Orezone has the necessary personnel to complete the remaining technical studies in order to apply for a mining permit in H1 2015. To complete the geotechnical studies, 2,504 m of geotechnical drilling was completed during Q1, together with 71 test pits located in the area of the planned heap leach infrastructure. Cement agglomeration and compaction-permeability testing, crushing testwork and additional column leach tests were among the remaining technical studies that continued during Q3 2014. The testwork completed in 2014 shows that with the addition of an ALC with an upfront scrubber and screen, gold recoveries can be increased from 79% to 87% and the requirements for cement agglomeration are potentially eliminated. Fine materials can be sent directly to the ALC and the remaining coarse material has demonstrated excellent compaction and permeability allowing it to go to the heap leach pad without agglomeration or interlift liners.

As of March 2014, detailed social and environmental baseline studies were completed over a study area that covered 83 km^2, and baseline studies have been completed over 47 km^2 of adjacent areas susceptible to host the relocated population. The most significant impact caused by the project was found to be the resettlement of the population living on the project site that currently represents 606 households (or about 4,300 people), and the purchase of a large area of agricultural land (about 1,487 ha). The Company plans to complete the ESIA and RAP to be submitted with a mining permit application in H1 2015. The Company has identified possible resettlement areas for each of the communities potentially impacted by the project and has contracted WSP to lead the Company's ESIA and RAP.

Once a revised site plan layout will be delivered by Golder during H1 2015, the social impact study and the relocation action plan can then be completed and presented to the local population for their approval.

Permit status and expansion

The original Bomboré I permit (104.5 km^2) was renewed in December 2012 for an additional two-year exploration term (expiry February 17, 2015). The Company has applied for and paid the required fees associated with obtaining an exceptional one-year extension on the Bomboré permit. A letter was received subsequent to September 30, 2014 from the Minister of Mines of Burkina Faso approving the extension of the exploration permit to February 2016; however the final title documentation has not yet been received. The Company intends to apply for a mining permit during H1 2015.

In August 2011, the Company announced it had been granted exploration rights to the Toéyoko permit, an additional 63 km^2 of prospective ground adjacent to Bomboré. The initial three-year Toéyoko permit expired in July 2014, the Company applied for a three-year renewal in April 2014 and paid the required fee in Q3 2014. The Company has not, however, received the formal title document evidencing the renewal.

The Government of Burkina Faso requires an annual minimum expenditure of 270,000 CFA (~ US $514) per km^2 resulting in minimums of 28,215,000 CFA (~ US $53,750) for Bomboré and 17,010,000 CFA (~ US $32,400) for Toéyoko. The Company is able to carry forward expenditures year over year throughout the terms of the permits as well as into subsequent renewals, if it so requires, in order to meet these minimums. To date, the Company has not had any difficulty in meeting these minimum requirements.

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 of Burkina Faso in the event that a mining permit is granted. The Government of Burkina Faso is currently reviewing its mining code and has asked the Chamber of Mines, the industry group that represents the mining companies, for comments.

Analysis of expenditures

Drilling and assaying expenditures at Bomboré increased for the three month and nine month periods ended September 30, 2014 by $0.35M and $0.05M respectively over the prior-year comparative period due to additional RC definition drilling meters drilled (6,173 in Q3 2014 vs. nil in Q3 2013) and due to slightly higher drilling activity related to the 25,000 m's (1,283 m DD, 23,550 m RC and 167 m auger) drilled in 2014, mostly related to the infill and expansion drill program compared to the 21,938 m's (4,215 m DD and 17,723 m RC) drilled in 2013. General camp, infrastructure and other costs for the three month period ended September 30, 2014 has increased by $0.04M over the comparative prior-year period due to the increased drilling activities which results in increased occupancy, food costs, salaries and other camp related costs and decreased by $0.39M for the nine month period ended September 30, 2014 over the comparative prior-year period due to an increased focus on engineering studies in 2014 YTD overall related to the FS which resulted in decreased camp occupancy and related costs, including salaries, fuel, food and supplies. Expenses related to exploration and development studies in the three and nine month periods ended September 30, 2014 has increased by $1.2M and $0.2M respectively over the comparative prior-year period due to the ongoing HL FS activities currently underway in 2014, as compared to the CIL FS being undertaken in 2013 which was halted in June 2013 resulting in lower development study costs in the nine months ended September 30, 2013.

<u>Bondi Project</u>

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 150,000 oz of Inferred resources at a grade of 1.84 g/t. During 2009, the Company completed a 2,162 m 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 completed a high-resolution airborne geophysics survey in Q4 2011 to assist in the identification of high priority drill targets. During Q2 2012, the Company initiated a metallurgical study and completed a 2,500 m auger drilling program on several targets, with positive results warranting follow up work in the area located to the south and southeast of the current gold resources. During H1 2013, the Company completed a 7,079 m RC and core drilling program (4,583 m of RC and 2,496 m of DD). The infill core holes within the inferred resources were broadly in line with the resource model and will assist to upgrade those resources to the indicated category. As well, targets identified by the 2012 auger drilling program were tested by RC holes which extended Zone 372 to the south east by approximately 275 m and intersected gold mineralization approximately 1,500 m to the south of Zone 2S. The Company also completed a Mobile Metal Ions ("MMI™") geochemical survey test over a 400 m section where two blind deposits are present which concluded that a strong gold anomaly existed over the blind deposits where conventional soil chemistry did not work. The results of the MMI™ will assist in future target generation and prioritization. During Q2 2013, the Company also released the results of its metallurgical study which indicated that direct agitated cyanidation gold recoveries averaged 94% for oxide, 93% for semi-oxidized and 91% for sulphide material. As well, gold recoveries were ≥ 90% for all of the composite samples at all grind sizes between 75 μm to 106 μm irrespective of cyanide concentration used. Results showed rapid gold recoveries at all feed sizes with oxide recovery in 6-12 hours and sulphide recovery within 12 hours. The project is currently on care and maintenance and Management is evaluating strategic alternatives.

During the three month period ended September 30, 2014 and the comparative prior year period ended September 30, 2013 there was no significant drilling and assaying expenditures with the project being on care and maintenance. Drilling and assaying expenditures for the nine month period ended September 30, 2014 decreased by $0.71M as compared to the prior-year period due to the project being on care and maintenance in 2014 while the Company completed drilling of 7,079 m in the comparative prior-year period. In May 2013, the Company decided to reduce its planned spending on exploration and development activities putting the project on care and maintenance resulting in negligible expenses in the three and nine month periods ended September 30, 2014.

In August 2012 formal approval of the renewal of the permit for its final three-year term, with the mandatory 25% reduction in the permit area, was received from the Government of Burkina Faso. The permit expires on August 18, 2015.

The Government of Burkina Faso requires an annual minimum expenditure of 270,000 CFA (~ US $514) per km^2 resulting in a minimum of 45,360,000 CFA (~ US $86,400) for Bondi. The Company has the ability to carry forward excess expenditures year over year throughout the three-year term of the permits as well as into subsequent renewals, if it so requires, in order to meet these minimums. To date, the Company has not had any difficulty in meeting these minimum requirements and has sufficient historical expenditures on the permit in order to meet future requirements.

Burkina Faso Political Situation

In October 2014, a civil unrest ensued in connection with a public protest against the President of Burkina Faso's desire to change the constitution and allow him to run for another term in office in the November 2015 elections. This ultimately resulted in the resignation of the President and the dissolution of the Government. Resulting from these events, the Company temporarily halted activities at its office in Ouagadougou as well as the Bomboré camp after sustaining minor damage to the camp from vandals. Operations have returned to normal at its office, while repairs are ongoing at the Bomboré camp estimated at $62k. Subsequent to the dissolution of the Government, the Army assumed control and appointed Lt. Col. Isaac Zida as leader with the goal of moving to a civilian led transitional government as soon as possible with an official election to be held in 2015. Protesting has since diminished however curfews are still in place. There is considerable pressure, and talks with international groups, for the country to appoint a civilian to lead the transitional government in the very short term or face potential economic sanctions. Subsequent to the resignation of the President, the country has been quiet while officials including international groups discuss the formation of a civilian led transitional government and the timing of the next democratic election.

The interim military leadership met with the Chamber of Mines of Burkina Faso to assure the sector that mining is a top priority and will continue to be during the transitional period.

Brighton Energy, Niger (Uranium)

The exploration activities in Niger ceased in 2013. The Company is currently making the necessary arrangements to effect the wind down of its Brighton operations.

Financial Review

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

Table 6 – Financial Information

	Three months ended September 30		Nine months ended September 30	
	2014	2013	**2014**	2013
	$	$	**$**	$
Expenses				
Exploration and evaluation	**2,183,844**	616,972	**5,599,379**	6,857,030
General and administrative	**576,617**	660,462	**1,887,685**	2,553,414
Share-based compensation	**170,408**	157,787	**660,775**	701,794
Depreciation and amortization	**271,469**	271,399	**854,438**	914,751
	3,202,338	1,706,620	**9,002,277**	11,026,989
Other income (loss)	**74,887**	16,422	**1,278,257**	(9,235,054)
Net loss before tax	**(3,127,451)**	(1,690,198)	**(7,724,020)**	(20,262,043)
Income tax expense	**(102,159)**	-	**(102,159)**	-
Net loss	**(3,229,610)**	(1,690,198)	**(7,826,179)**	(20,262,043)
Net change in fair value of available-for-sale financial assets	**-**	589,598	**548,941**	589,598
Realized gain on available-for-sale financial assets	**-**	-	**(1,157,993)**	-
Impairment of available-for-sale financial assets	**-**	-	**-**	1,538,914
Foreign currency translation (loss) gain	**(670,009)**	542,730	**(696,286)**	(415,542)
Other comprehensive (loss) income	**(670,009)**	1,132,328	**(1,305,338)**	1,712,970
Net loss per common share, basic and diluted	**(0.03)**	(0.02)	**(0.08)**	(0.24)

Table 7 – Consolidated Balance Sheets (Summary)

	September 30, 2014	December 31, 2013
	$	$
Cash	**5,918,892**	9,476,471
Investment	**-**	2,825,738
Interest in exploration properties	**4,163,654**	5,320,983
Shareholders' equity	**9,585,405**	18,056,147
Total assets	**10,701,690**	18,397,194
Comprehensive loss	**(9,131,517)**	(20,618,423)

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 loss for the three and nine month periods ended September 30, 2014 and 2013.

Exploration and evaluation costs in the three month period ended September 30, 2014 increased by $1.6M over the comparative prior-year period due to the increased level of engineering and environmental studies performed and ongoing in the quarter over the comparative prior-year quarter. For the nine month period ended September 30, 2014, exploration and evaluation costs decreased by $1.3M over the comparative prior-year period. The year to date decreased expenditures during the periods are mainly due to:

- reduced drilling activities on the Bondi project as compared to the prior-year periods;
- reduced camp costs due to the lower camp related activity; and
- offset by an increase in the amount spent on technical studies related to the Bomboré project as work transitioned from the completion of the PEA in Q1 2014 to the HL FS that is currently underway.

General and administrative costs ("G&A") include both the Company's head office and local office related to the Company's subsidiaries. Total G&A decreased by $0.08M and $0.67M in the three and nine month periods ended September 30, 2014 respectively, over the comparative prior-year period, mainly due to:

- a decrease in salaries and employee costs of $56K and $488K respectively as compared to the prior-year periods due to the reduction of staff in Burkina Faso and Niger in order to lower costs and preserve cash, and a reduction to the CEO and SVP of Exploration salaries in 2014 as compared to 2013;
- a decrease in general and office costs of $4K and $112K respectively due to reduced IT and supply purchases as well as lower costs as a result of reduced activities on the permits, including Bomboré and Niger; and including the decision to abandon the exploration activities in Niger and cost cutting measures in Burkina Faso;
- offset by an increase in investor relations and travel expenses of $13K for the three month period ended September 30, 2014 due to an increased number of attendees and marketing related travel with an overall decrease of $32K for the nine month period ended September 30, 2014 over the comparative prior-year period mainly due to lower conference and related travel costs due to fewer shows attended in 2014, offset by higher marketing costs.

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, 2014 is $0.37M and $1.2M respectively representing a decrease of $52K and $297K over the comparative prior-year period, mainly due to lower salaries, conference attendance, and reduced investor relations activities.

Share-based compensation expense recognized during the three month period ended September 30, 2014 increased $13K over the comparative prior-year period mostly related to foreign exchange with a decrease of $41K for the nine month period ended September 30, 2014 over the comparative prior-year period, mainly due to:

- An increase related to Jan 30, 2014 option grant and options granted to COO in May 2014; and
- A decrease due to the vesting of a significant grant in April 2014 and the vesting of a grant in June 2014, offset by the January 30, 2014 grant of stock options.

Other income (loss) includes:

- Impairment of available-for-sale financial assets of $9.1M in the nine month period ended September 30, 2013 due to a significant and prolonged reduction in the value of the shares in Amara Mining held by the Company as opposed to a realized gain of $1.2M in the first quarter of 2014.

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 8 – Summary of Quarterly Results

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
	$	$	$	$	$	$	$	$
Net income (loss) attributable to common shareholders	(3.23)	(3.30)	(1.30)	(1.70)	(1.69)	(6.86)	(11.71)	(6.65)
Net income (loss) per share, basic	(0.03)	(0.03)	(0.01)	(0.01)	(0.02)	(0.08)	(0.14)	(0.07)
Net income (loss) per share, diluted	(0.03)	(0.03)	(0.01)	(0.01)	(0.02)	(0.08)	(0.14)	(0.07)

The decrease in net loss during Q1, Q2 and Q3 2014 and Q3 and Q4 2013 compared to Q1 and Q2 2013 relates mostly to the reduced exploration activities. The increase in net loss in 2013 as compared to 2012 relates mostly to the impairment of the Amara investment in 2013 and the gain on the sale of Sega recorded in 2012, whereas the decrease in the net loss so far in 2014 is partially due to a gain on the sale of the Amara investment and decreased exploration activities.

Liquidity and Capital Resources

The Company had cash of $5.92M at September 30, 2014, a decrease of $3.56M compared to the $9.48M cash position at December 31, 2013.

The Company is at the exploration stage and, as is common with many exploration companies, raises funds in the equity market to conduct its activities. The Company has incurred losses in the current and prior periods, with a net loss of $3,229,610 and $7,826,179 during the three and nine month periods ended September 30, 2014 and an accumulated deficit of $136,699,934 at September 30, 2014. The Company has a working capital of $5,421,751 at September 30, 2014. Management expects that in addition to using funds currently on hand, additional equity capital will need to be raised in order to fund operations for the next twelve months. Given the continuation of weak investor sentiment and capital market conditions of the gold sector, there exists a material uncertainty as to the Company's ability to raise additional funds on favourable terms. However, the Company's discretionary exploration and development activities have some scope for flexibility in terms of the amount and timing of such expenditures, which can be adjusted accordingly.

Use of Proceeds from 2010 and 2013 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 C$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, 2012 and Q1 2013 are also presented in the table for comparative purposes. All figures in the table are presented in US$ millions.

Table 9 – 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 March 31, 2013[3]
	$	$	$	$
Bomboré gold project exploration and development	3.81	26.83	30.64	44.84
Sega gold project exploration	1.43	3.22	4.65	1.03
Bondi gold project exploration	0.48	2.15	2.63	0.83
Niger Uranium Project Exploration	0.00	0.00	0.00	1.30
Regional project generation and exploration	0.95	1.07	2.02	0.19
General and administrative expenses	2.29	17.04	19.33	10.79
Underwriting fees	0.51	2.94	3.45	3.74
Total use of proceeds	**9.47**	**53.25**	**62.72**	**62.72**

[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.

[3] Represents expenditures incurred during the period identified up to the total amount of financings. Expenditures incurred in Q1 2013 were partially financed by proceeds from the Sega sale and are not presented in the table.

The Company incurred capital expenditures of $4.76M from January 1, 2010 to December 31, 2011 relating to all of its projects, as well as $1.20M 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.

Although the Company's expenditures have exceeded the above-mentioned financings, the sale of the Sega project during the first half of 2012 provided additional funds to support operations beyond these equity financings.

On November 13, 2013, the Company completed a C$5,000,000 (US$4,776,500) non-brokered private placement equity financing (the "2013 Financing") that resulted in net proceeds of C$4,959,758 (US$4,738,062). The table below provides a summary of the 2013 Financing, broken down by the use of proceeds category disclosed in the Company's news release. Approximate actual expenditures by 2013 Financing Category are also presented in the table for comparative purposes. All figures in the table are presented in US$ millions.

On March 19, 2014, the Company sold its available-for-sale investments which consisted entirely of the 11 million ("M") ordinary common shares of Amara Mining plc ("Amara") (formerly "Cluff Gold plc") acquired as part of the sale of the Sega project in 2012. The investment was sold at a price of 0.1850 GBP which resulted in net proceeds of $3.4M.

Table 10 – Use of Proceeds from 2013 Financings

2013 Financing Categories	Total 2013 Financing	Actual expenditures from November 13, 2013 to September 30, 2014[4]
	$	**$**
Technical studies for HL FS and general corporate purposes	4.78	nil

[4] The Company allocates the use of funds on a first-in, first-out basis. Therefore, as at September 30, 2014, it continues to be financed by the proceeds of the above-mentioned Sega sale and has not yet used any proceeds from the 2013 Financing.

Share Capital Information

As at September 30, 2014, the Company had 95,683,698 common shares outstanding (fully diluted – 104,497,598).

On November 13, 2013, the Company completed a non-brokered private placement which resulted in the issuance of 10,000,000 common shares at C$0.50 per share. As a result, the Company recorded a $4.74M increase to share capital.

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 $4.93M increase to share capital.

As at September 30, 2014, the Company also has the following outstanding stock options:

Table 11 – Stock Options Outstanding as at September 30, 2014

	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	4.59	0.39	3,175,000	0.39
$0.50 to $0.99	2,338,500	4.65	0.69	538,500	0.81
$1.00 to $1.99	3,100,400	2.84	1.63	2,110,234	1.69
$2.00 to $2.99	200,000	6.06	2.35	200,000	2.35
	8,813,900	**4.02**	**0.95**	**6,023,734**	**0.95**

Contractual Obligations

As at September 30, 2014, the Company had contractual obligations for environmental and social impact studies, feasibility costs, head office rent, professional fees, communication services, metallurgical work and equipment and inventory purchases and rentals in the amount of $1,857,542 (as at December 31, 2013 – $199,938). 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 throughout the 2014 fiscal year.

Subsequent to September 30, 2014, the Company entered into further contractual obligations in the amount of $148,964 for professional fees, laboratory services, feasibility study costs and equipment and inventory purchases, which are expected to be payable throughout the 2014 fiscal year.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

The Company has no transactions with related parties as at, or for the nine month period ended September 30, 2014.

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):

- Orezone's ability to successfully establish mining operations and profitably produce gold;
- Risks associated with obtaining a mining permit prior to expiry of the main exploration permit for the Bomboré gold project;
- Changes in, and volatility of, the price of gold;
- Operating in West Africa;
- The speculative nature of resource exploration and development projects;

- Potential changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation;
- Permitting;
- Potential changes to mining and tax laws;
- The accuracy of Orezone's mineral resource estimates;
- The fact that Orezone has a history of losses and expects to incur losses for the foreseeable future;
- Orezone's reliance on its Management team;
- The availability of local labour, local and outside contractors and equipment when required to carry out our exploration and development activities;
- The Company's ability to finance the development of its mineral projects;
- Uncertainties related to title to the Company's mineral projects;
- The Government of Burkina Faso's interests in subsidiaries of Orezone holding mining permits;
- Health risks associated with the mining workforce in Burkina Faso;
- Environmental risks;
- Operational risks and hazards inherent in the mining industry;
- The potential inability to maintain the infrastructure necessary to carry out mining, processing, development and exploration activities;
- Operations of the Company are carried out in geographical areas which are subject to various other risk factors;
- The potential unavailability of insurance to cover certain risks;
- Increased competition in the mining industry;
- Currency fluctuations;
- The Company does not intend to pay dividends in the foreseeable future;
- Shareholders' interest in the Company may be diluted in the future;
- Factors that have historically made Orezone's share price volatile;
- Investors outside of Canada may have difficulty bringing actions and enforcing judgments against the Company, its directors, its executive officers and some of the experts named in this MD&A; and
- Differences in US and Canadian practices for reporting mineral resources.

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, 2013.

In addition to the risks above, due to the civil unrest in Burkina Faso (see above) the Company is exposed to additional risk with respect to obtaining permit renewals, the granting of a mining permit, the ability to maintain operations and complete the FS, additional vandalism of property, and potential economic sanctions imposed against Burkina Faso should an acceptable civilian transition leader not be appointed in the near term.

Standards, amendments and interpretations not yet effective

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

- *IFRS 2, "Share-based payment"*
- *IFRS 3, "Business combinations"*
- *IFRS 9, "Financial instruments"*
- *IFRS 15, "Revenue from contracts with customers"*
- *IAS 16, "Property, plant and equipment"*
- *IAS 38, "Intangible assets"*

The Company does not expect the following standard to be applicable at a future date and does not intend to adopt it once it becomes effective.

- *IFRS 11, "Joint arrangements"*

Financial Instruments

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

The Company may also enter into financial instruments or other contracts that contain embedded derivatives. Embedded derivatives (e.g. a lease denominated in a currency other than that of either counterparty to the contract) are accounted for separately from the host contract at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract, and the host contract is not classified as FVTPL.

The Company does not currently have derivative instruments.

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

- Cash is classified as FVTPL, which is measured at fair value.
- Trade and other receivables, excluding taxes receivable balances that do not meet the definition of a financial instrument, and refundable deposits included in prepaid expenses and deposits, are classified as loans and receivables, which are measured at amortized cost, using the effective interest method, less any impairment losses.
- Accounts payable and accrued liabilities, excluding taxes payable balances that do not meet the definition of a financial instrument, are classified as other financial liabilities, which are measured at amortized cost, using the effective interest method.

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

Critical Accounting Estimates

The preparation of the Annual Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Annual 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 years.

Critical judgments in applying accounting policies

Going concern risk assessment

Management considers whether there exists any event(s) or condition(s) that may cast significant doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with *IAS 21, "The Effects of Changes in Foreign Exchange Rates,"* and as such has determined that the functional currency of all of its entities is the

Canadian dollar with the exception of its subsidiaries, Orezone Inc. SARL and Niger Resources Inc., which have a functional currency of the Communauté Financière Africaine francs.

Other than temporary impairment of available-for-sale ("AFS") investment

Management judgment is applied in evaluating whether an unrealized loss on the Company's AFS investment recognized in other comprehensive income (loss) is other than temporary and should be reclassified to the Statement of Loss. Management performs qualitative and quantitative assessments in order to judge if the reduction in fair value, as compared to its value upon initial recognition, is significant or prolonged.

Accounting policy selection for interest in exploration properties including property, plant and equipment

As disclosed in note 3(i) of the Annual Financial Statements, Management judgment is applied in capitalizing costs related to acquired mineral property rights and property, plant and equipment. Management has determined that expenditures incurred during the exploration and evaluation phase will be expensed as incurred until it determines that the technical feasibility and commercial viability of a mineral property has been established.

Impairment of non-financial assets

Management assesses non-financial assets for impairment as disclosed in note 3(l) of the Annual Financial Statements.

Deferred income taxes

Judgment is required in order to determine whether to recognize deferred tax assets and/or liabilities on the statement of financial position. Management must assess the extent to which it is probable that the Company and its subsidiaries will have future taxable profits available against which it can recognize unused tax losses or unused tax credits as well as sufficient loss carryforwards to offset potential tax liabilities. The amount and availability of deferred tax assets and liabilities are directly influenced by future changes to tax laws in the jurisdictions in which the Company and its subsidiaries operate.

Sources of estimation uncertainty

Share-based compensation related to stock options and warrants

Management assesses the fair value of stock options and warrants, as disclosed in note 3(q) of the Annual Financial Statements, using the Black-Scholes option pricing model. This model requires Management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected life of the equity-settled instruments. As well, Management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

Useful lives of property, plant and equipment

As disclosed in note 3(k) of the Annual Financial Statements, Management reviews its estimate of the useful life of property, plant and equipment annually and accounts for any changes in estimates prospectively.

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. 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. An evaluation of the effectiveness of disclosure controls was completed as at December 31, 2013 and based on the results of that evaluation, subject to the limitations noted above, the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") concluded that these controls and procedures provided reasonable assurance that material information is appropriate summarized and communicated to Management and recorded in the Company's annual, interim and other regulatory filings as required by securities regulations.

There have been no material changes in disclosure controls since December 31, 2013 and their design remains appropriate.

Internal control over financial reporting

Management is responsible for certifying the design, and on an annual basis the effectiveness, 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.

An evaluation of the effectiveness of ICFR was completed as at December 31, 2013 and Management, including the CEO and CFO concluded, subject to the limitations noted above, that the Company had effective ICFR. 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 material changes in ICFR since December 31, 2013 and their design remains appropriate.

Forward Looking Statements

Management's Discussion and Analysis of Financial Position and Total Comprehensive Loss for the three and nine month periods ended September 30, 2014 (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 full 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 material 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, 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. Tim Miller, the Company's Chief Operating Officer, Mr. Claude Poulin, MBA, Project Manager for Bomboré, and Mr. Ron Little, P. Eng., the President and Chief Executive Officer, are also qualified persons under NI 43-101. The Company's qualified persons have reviewed and verified the technical information in this MD&A.

Other MD&A Requirements

Additional information related to the Company including the Company's Annual Information Form and technical reports can be found on SEDAR at **www.sedar.com**.