Orezone Gold Corporation

(A Development Stage Company)

Unaudited Interim Consolidated Financial Statements

(in US dollars)

For the three and nine month periods ended September 30, 2009 and 2008

Orezone Gold Corporation

(A Development Stage Company)

Consolidated Balance Sheets

(Expressed in United States dollars)

	Notes	September 30, 2009	December 31, 2008
		(unaudited)	(audited)
		$	$
ASSETS			
Current assets			
Cash		**5,533,521**	3,371,366
Sales taxes and other receivables	11	**9,275**	139,844
Prepaid expenses and other assets		**324,204**	468,085
		5,867,000	3,979,295
Investments	3	**-**	24,744
Exploration properties	4	**30,441,756**	28,046,452
		36,308,756	32,050,491
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**249,625**	472,260
SHAREHOLDERS' EQUITY			
Capital stock	5	**62,990,088**	57,349,863
Contributed surplus	5	**3,646,467**	3,573,542
		66,636,555	60,923,405
Accumulated other comprehensive income		**483,211**	483,211
Deficit		**(31,060,635)**	(29,828,385)
		36,059,131	31,578,231
		36,308,756	32,050,491

Nature of Operations and Basis of Presentation (Note 1)

The accompanying notes are an integral part of the consolidated financial statements.

Signed on behalf of the Board of Directors,

/s/ Ronald N. Little
Director

/s/ Alain Krushnisky
Director

Orezone Gold Corporation
(A Development Stage Company)
Consolidated Statements of Operations and Changes in Deficit
(Unaudited, Expressed in United States dollars)

	Notes	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
		$	$	**$**	$
Administrative expenses					
Salaries, benefits and consulting fees		**144,435**	210,537	**514,747**	816,447
Stock-based compensation	5	**157,565**	193,178	**530,543**	501,963
Office, general and administrative		**48,768**	82,489	**175,185**	399,814
Professional fees		**46,338**	16,892	**172,215**	319,852
Public relations and travel		**64,803**	3,862	**158,933**	301,808
Public company costs		**30,587**	62,454	**116,990**	197,646
Amortization of capital assets		**6,595**	6,561	**22,697**	14,883
		499,091	575,973	**1,691,310**	2,552,413
Other items					
Write-off of deferred exploration costs	4	**-**	1,961,405	**-**	4,458,005
Foreign exchange (gain) loss		**(303,349)**	193,618	**(452,995)**	168,784
Other income		**(1,638)**	-	**(8,295)**	(12,791)
Interest expense (income), net		**(177)**	74,823	**(4,253)**	(84,151)
Loss in fair value of investments held for trading		**-**	-	**-**	211,368
Gain on sale of available-for-sale investments		**-**	-	**-**	(1,680,650)
Other than temporary impairment of available-for-sale investments		**-**	-	**6,483**	-
Net loss		**(193,927)**	(2,805,819)	**(1,232,250)**	(5,612,978)
Deficit, beginning of period		**(30,866,708)**	(19,826,381)	**(29,828,385)**	(17,019,222)
Deficit, end of period		**(31,060,635)**	(22,632,200)	**(31,060,635)**	(22,632,200)
Net loss per common share, basic and diluted		**0.00**	(0.06)	**(0.02)**	(0.13)
Weighted average number of shares outstanding – basic and diluted		**53,955,531**	44,643,128	**53,849,942**	44,584,535

The accompanying notes are an integral part of the consolidated financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Consolidated Statements of Deferred Exploration Costs

(Unaudited, Expressed in United States dollars)

	Notes	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
		$	$	**$**	$
Balance, beginning of period		**27,392,673**	31,411,959	**25,801,870**	29,059,599
Additions					
Drilling and assaying		**99,461**	354,137	**710,851**	2,706,902
Salary and employee costs		**134,009**	264,802	**435,170**	865,325
Engineering and consultants		**127,067**	221,458	**363,231**	619,082
General office and administration		**127,899**	277,657	**341,902**	895,558
Camp and facilities costs		**35,273**	169,149	**220,639**	969,565
Stock-based compensation	5	**14,646**	24,203	**72,171**	73,556
Amortization of capital assets		**40,491**	15,217	**104,833**	60,418
Gain on disposal of capital assets		**-**	-	**(15,687)**	-
Foreign exchange (gain) loss		**(10,174)**	18,540	**(18,836)**	3,717
Total additions		**568,672**	1,345,163	**2,214,274**	6,194,123
Deductions					
Write-off of deferred exploration costs		**-**	(1,961,405)	**-**	(4,458,005)
Write-off of Kossa exploration cost recoveries	4, 11	**54,799**	**-**	**-**	**-**
Total deductions		**54,799**	(1,961,405)	**-**	(4,458,005)
Balance, end of period		**28,016,144**	30,795,717	**28,016,144**	30,795,717

The accompanying notes are an integral part of the consolidated financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Consolidated Statements of Cash Flows

(Unaudited, Expressed in United States dollars)

	Note	Three months ended September 30, 2009	2008	Nine months ended September 30, 2009	2008
		$	$	**$**	$
OPERATING ACTIVITIES					
Net loss		**(193,927)**	(2,805,819)	**(1,232,250)**	(5,612,978)
Non-cash items:					
Amortization of capital assets		**6,595**	6,561	**22,697**	14,883
Loss in fair value of investments held for trading		**-**	-	**-**	211,368
Impairment of available-for-sale investments		**-**	-	**6,483**	-
Gain on sale of available-for-sale investments		**-**	-	**-**	(1,680,650)
Write-off of deferred exploration costs		**-**	1,961,405	**-**	4,458,005
Stock-based compensation		**157,565**	193,178	**530,543**	501,963
Foreign exchange (gain) loss		**(288,227)**	131,469	**(429,412)**	154,344
Changes in non-cash working capital		**29,600**	204,192	**76,947**	(521,042)
Cash used in operating activities		**(288,394)**	(309,014)	**(1,024,992)**	(2,474,107)
INVESTING ACTIVITIES					
Expenditures on exploration properties		**(547,246)**	(936,678)	**(2,306,677)**	(6,522,434)
Proceeds from sale of investments		**-**	-	**-**	6,890,142
Cash (used in) provided by investing activities		**(547,246)**	(936,678)	**(2,306,677)**	367,708
FINANCING ACTIVITIES					
Proceeds from exercise of stock options	5	**-**	-	**703,765**	267,233
Share issuance costs		**-**	(3,350)	**(58,801)**	(15,575)
Contribution from IAMGOLD Corporation	5	**-**	-	**4,424,184**	-
Cash (used in) provided by financing activities		**-**	(3,350)	**5,069,148**	251,658
Effect of exchange rate changes on cash		**293,999**	(273,943)	**424,676**	(267,211)
(Decrease) increase in cash		**(541,641)**	(1,522,985)	**2,162,155**	(2,121,952)
Cash, beginning of period		**6,075,162**	7,629,641	**3,371,366**	8,228,608
Cash, end of period		**5,533,521**	6,106,656	**5,533,521**	6,106,656

Supplemental information:

There were no cash payments in respect of interest or taxes during the three or nine months ended September 30, 2009 and 2008.

The accompanying notes are an integral part of the consolidated financial statements.

Orezone Gold Corporation
(A Development Stage Company)
Consolidated Statements of Comprehensive Loss
(Unaudited, Expressed in United States dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
	$	$	**$**	$
Net loss	**(193,927)**	(2,805,819)	**(1,232,250)**	(5,612,978)
Other comprehensive income, net of tax:				
Unrealized (loss) gain in fair value of available-for-sale investments	**-**	(260,664)	**-**	157,924
Realized cumulative gain on sale of available-for-sale investments	**-**	-	**-**	(1,680,650)
Comprehensive loss	**(193,927)**	(3,066,483)	**(1,232,250)**	(7,135,704)

The accompanying notes are an integral part of the consolidated financial statements.

1 — NATURE OF OPERATIONS AND BASIS OF PRESENTATION

NATURE OF OPERATIONS

Orezone Gold Corporation (the "Company") is primarily engaged in the acquisition, exploration and development of gold properties in Burkina Faso, West Africa. The Company's operations consist of the former non-Essakane exploration interests of Orezone Resources Inc. ("Resources"), which were acquired on February 25, 2009 as part of Resources' business combination with IAMGOLD Corporation ("IMG").

The Company is in the exploration stage and has not yet determined whether any of its properties contain mineral deposits that are economically recoverable. The recovery of costs incurred on the Company's exploration properties is subject to a number of factors including the discovery of economically recoverable reserves, the ability to secure financing sufficient to develop the reserves, the ability to achieve profitable operations, the ability to secure and maintain title, and/or the ability to dispose of the properties on favourable terms.

BASIS OF PRESENTATION

The Company's unaudited interim consolidated financial statements and accompanying notes as at, and for, the three and nine months ended September 30, 2009 (collectively, the "Financial Statements"), have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and are presented in US dollars. The Financial Statements do not include all of the information and notes required by generally accepted accounting principles for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2008. The accounting policies used in preparing the Financial Statements are consistent with those used in preparing the Company's annual audited financial statements.

The Company was incorporated on December 1, 2008 under the Canada Business Corporations Act with one common share outstanding. On December 11, 2008, Resources announced the signing of a definitive agreement to sell 100% of its interest in the Essakane project to IMG pursuant to a plan of arrangement whereby IMG agreed to acquire each outstanding common share of Resources in exchange for 0.08 IMG shares and 0.125 shares of the Company, formed to hold all of Resources' non-Essakane exploration interests and to provide shareholders with continued participation in, and exposure to, these operations (the "Transaction"). Resources' shareholders approved the Transaction at a special meeting held on February 18, 2009. On February 25, 2009, all of Resources' non-Essakane exploration interests were transferred to the Company including CAD $9,731,535 in accordance with the terms of the definitive agreement whereby IMG and Resources agreed that the Company would initially be funded with CAD $10 million in cash subject to certain adjustments. In exchange, 53,955,530 additional shares of the Company were issued to Resources, distributed to its shareholders, and were contemporaneously listed on the Toronto Stock Exchange (the "TSX").

The transfer to the Company of Resources' non-Essakane exploration interests is being accounted for as a continuity of interest. On this basis, the Company's Financial Statements include comparative historical results of the non-Essakane exploration interests. These comparative figures are intended to represent what the Company's results would have been, had it historically been the independent operator of the non-Essakane exploration interests. Accordingly, the Financial Statements contain amounts that were estimated based on a carve-out of the historical financial results of the non-Essakane exploration interests of Resources prior to February 25, 2009, as well as the Company's independent operating results from February 26 to September 30, 2009. Certain of Resources' expenses, assets, and liabilities for the period up to February 25, 2009 have been allocated to the Company in the Financial Statements based on assumptions that management believes are reasonable under the circumstances. The comparative balances for the periods ended September 30, 2008 have been presented on a carve-out basis. However, these allocations and estimates are not necessarily indicative of the costs and expenses that would have resulted if the Company had operated as a separate entity.

1 — NATURE OF OPERATIONS AND BASIS OF PRESENTATION (continued)

These allocations include, but are not limited to, administrative expenses and direct costs of carrying out exploration activities on the non-Essakane properties. Included within administrative expenses of the Company are stock-based compensation expenses. Prior to March 25, 2009, the Company did not have its own stock option plan. The stock-based compensation expenses allocated to the Company prior to this date are based on the historical results of Resources' stock option plan and options issued to the Company's employees as part of that plan (see Note 5).

Prior to February 25, 2009, no direct ownership relationship existed between current shareholders and the various units comprising the non-Essakane exploration interests. Accordingly, prior to February 25, 2009, Resources' net investment in the non-Essakane exploration interests ("Owner's Net Investment") was shown in lieu of a shareholders' equity in the Financial Statements. A direct ownership relationship existed at September 30, 2009 and the Company has included a full equity section with comparative figures for prior periods. The comparative figures were derived from the historical financial position of Resources and are intended to represent what the components of the Company's shareholders' equity would have been if it were the independent operator of the non-Essakane exploration interests for the periods presented. The earnings per share calculation prior to February 25, 2009 is calculated using a weighted average number of shares outstanding that was determined on a carve out basis. The weighted average number of shares outstanding for this period was calculated using the number of Resources' shares outstanding and applying the exchange ratio of the Transaction.

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. While the Company has sufficient cash to continue to finance operations, it currently has no revenue generating activities and there can be no assurance that it will be able to secure additional financing in the future. The Financial Statements do not include adjustments to the carrying amount of assets and liabilities, reported expenses, and balance sheet classifications that would be required if the going concern assumption was no longer appropriate.

2 — CHANGES IN ACCOUNTING POLICIES AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

CHANGES IN ACCOUNTING POLICIES

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted CICA Handbook Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this standard did not have an effect on the Financial Statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" which requires the Company to consider its own credit risk as well as the credit risk of its counterparties when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is effective January 1, 2009 and is required to be applied retrospectively without restatement of prior periods. The adoption of this standard did not have an effect on the valuation of the Company's financial assets or financial liabilities at September 30, 2009.

2 — CHANGES IN ACCOUNTING POLICIES AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (continued)

Mining Exploration Costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs" which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatment provided in EIC-174 has been applied in the preparation of the Financial Statements and did not have an effect on the valuation of exploration properties.

Financial Instruments – Recognition and Measurement

In August 2009, the CICA issued an amendment to Handbook Section 3855, *Financial Instruments – Recognition and Measurement,* to provide guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. This amendment is effective for reclassifications made on or after July 1, 2009. The application of this amendment did not have an effect on the Financial Statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Financial Instruments – Disclosures

In June 2009, the CICA amended Handbook Section 3862, *Financial Instruments – Disclosures*, to enhance disclosure requirements with regards to liquidity risk of financial instruments and to include new disclosure requirements about fair value measurement of financial instruments. This amendment is effective for annual financial statements relating to fiscal years ending on or after September 30, 2009. The Company is currently assessing the impact of this amendment on its consolidated financial statements.

Business Combinations and Consolidated Financial Statements

In January 2009, the CICA issued three new accounting standards, Handbook Section 1582, *Business Combinations*, Handbook Section 1601, *Consolidated Financial Statements,* and Handbook Section 1602, *Non-Controlling Interests.* These standards are effective January 1, 2011, however early adoption is permitted.

Handbook Section 1581, *Business Combinations* was replaced with Handbook Section 1582. This standard adopts relevant parts of International Financial Reporting Standard IFRS 3, *Business Combinations*. The adoption of this standard will impact the accounting for business combinations entered into on or after the January 1, 2011 effective date.

Handbook Section 1600, *Consolidated Financial Statements*, was replaced with Handbook Sections 1601 and 1602. Section 1601 establishes standards for the preparation of consolidated financial statements while Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The adoption of these standards is not expected to have an effect on the Company's Financial Statements.

Financial Instruments – Recognition and Measurement

In June 2009, Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, was amended to clarify the application of the effective interest method after a debt instrument has been impaired and to clarify when an embedded prepayment option is separated from its host debt instrument for accounting purposes. This amendment is effective January 1, 2011 and is not expected to have an effect on the Company's Financial Statements.

(Unaudited, Expressed in United States dollars)

2 — CHANGES IN ACCOUNTING POLICIES AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (continued)

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that use of International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit-oriented enterprises such as the Company. The Company must report its consolidated financial statements in accordance with IFRS no later than for the first quarter of 2011, with restatement of the 2010 comparative information presented. The Company is evaluating accounting policy differences between Canadian GAAP and IFRS. However, the financial reporting impact of the transition to IFRS has not yet been determined.

3 — INVESTMENTS

Investments were comprised of:

	September 30, 2009	December 31, 2008
	$	$
Available-for-sale investments	**-**	24,744

As at December 31, 2008, the Company's available-for-sale investments consisted of common shares of publicly traded mining companies (see Note 9).

4 — EXPLORATION PROPERTIES

	September 30, 2009	December 31, 2008
	$	$
Assets not subject to amortization		
Mineral property acquisition costs	**1,024,251**	1,024,251
Deferred exploration costs	**28,016,144**	25,801,870
Deposits	**77,546**	82,169
Construction-in-progress	**-**	626,841
Land	**306,736**	306,736
	29,424,677	27,841,867
Assets subject to amortization		
Buildings	**905,864**	73,722
Accumulated amortization	**(61,575)**	(4,682)
Office and field equipment	**260,709**	175,983
Accumulated amortization	**(87,919)**	(43,638)
Moveable equipment	**-**	48,741
Accumulated amortization	**-**	(45,541)
	1,017,079	204,585
	30,441,756	28,046,452

(Unaudited, Expressed in United States dollars)

4 — EXPLORATION PROPERTIES (continued)

Mineral property acquisition costs and deferred exploration costs are as follows:

	September 30, 2009		December 31, 2008	
	Acquisition Costs	**Deferred Exploration Costs**	Acquisition Costs	Deferred Exploration Costs
	$	**$**	$	$
Sega	**11,410**	**11,868,172**	11,410	11,619,019
Bomboré	**866,656**	**7,868,378**	866,656	6,272,195
Bondi	**146,185**	**7,653,012**	146,185	7,525,883
Niger and other	**-**	**626,582**	-	384,773
	1,024,251	**28,016,144**	1,024,251	25,801,870

Sega, Burkina Faso

The Sega project consists of the Tiba (124 km^2) and Namasa (189 km^2) permits. The Tiba permit is located in the Yatenga province, expires in March 2010 and may be renewed for two more consecutive three year terms. The Namasa permit is located in the Yatenga and Zandoma provinces, expires in June 2012 and may be renewed for one more consecutive three year term. The Company originally acquired the project from IAMGOLD Corporation (formerly Repadre Corporation) in 2001. Upon transfer, Repadre retained a 3% NSR in the project of which 2% can be bought back for US $2 million. In the nine months ended September 30, 2008, deferred exploration costs of $966,659, relating to the Zomkalga and Kossouka options, were written off as these options were abandoned.

Bomboré, Burkina Faso

The Bomboré permit (250 km^2) is located in the Ganzourgou province and expires in February 2010. The permit may be renewed for one more three year term.

Bondi, Burkina Faso

The Bondi project consists of the Djarkadougou permit (224 km^2). The permit is located in the Bougouriba province and expires in August 2012. This permit may be renewed for one more consecutive three year term. In the nine months ended September 30, 2008, deferred exploration costs of $587,018, relating to the Poyo and Nicéo permits, were written off as this permit was abandoned.

Niger and other

The Company has three exploration permits in Niger. Zeline 1 and Zeline 4 are uranium exploration permits (982 km^2) which expire in October 2010 and may be renewed for one more three year term with permit size reductions. The Kossa gold permit (999 km^2) is located on the northwestern border of Niger with Burkina Faso and is subject to a formal agreement between the Company and IMG. IMG has the right to explore for and receive the benefit arising from the exploitation of gold deposits on the permit. IMG is responsible for the annual carrying costs, which include the payment of annual taxes and any minimum exploration expenditures required by the terms of the permit. Amounts shown as recovery of Kossa exploration costs on the statements of deferred exploration costs are from IMG (see Note 11). The Company has legal title to the permit and has the right to explore for and derive the benefit from other mineral deposits without any pre-emptive rights to IMG. This permit expires in October 2010 and may be renewed for one more three year term, subject to permit size reductions. The Company also holds Mining Conventions relating to all three permits with terms of 30 years for the Kossa permit and 20 years for each of the Zeline 1 and Zeline 4 permits.

(Unaudited, Expressed in United States dollars)

4 — EXPLORATION PROPERTIES (continued)

In the nine months ended September 30, 2008, deferred exploration costs of $2,900,312, representing the carrying amount of the Tankiédougou, Nabéré, Komkara and Koyria permits, were written off as these permits were abandoned.

5 — CAPITAL STOCK

(a) Capital stock

Authorized:
An unlimited number of common shares, without par value.

Capital stock and contributed surplus are as follows:

	Common Shares	Capital Stock	Contributed Surplus
		$	$
Balance, December 31, 2008	**1**	**57,349,863**	**3,573,542**
Stock-based compensation	**-**	**-**	**644,002**
Contribution from IMG	**-**	**4,424,184**	
Stock options exercised[1]	**-**	**1,274,842**	**(571,077)**
Issue costs	**-**	**(58,801)**	**-**
Common shares issued at closing of transaction between IMG and Resources[2]	**53,955,530**	**-**	**-**
Balance, September 30, 2009	**53,955,531**	**62,990,088**	**3,646,467**

[1] Represents stock options exercised by the Company's employees on Resources' stock. No shares of the Company were issued upon exercise.
[2] See Note 1.

(b) Stock option plan

On May 15, 2009, the Company's shareholders approved the Company's stock option plan (the "Plan"). Under the terms of the Plan, options may be granted to directors, officers, employees and persons providing ongoing services to the Company. Stock options are issued at market value based on the volume weighted average price for the five trading days immediately preceding the date of grant and can have a contractual term of up to ten years. The grant date fair value is calculated using the Black-Scholes option valuation model. The maximum number of common shares reserved for issuance under the Plan is equal to 10% of the Company's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security based compensation arrangement for the Company. The Company does not presently have any other security based compensation arrangement. A total of 5,395,553 options are available for issue under the Plan (representing 10% of the currently outstanding shares).

The total intrinsic value of options outstanding at September 30, 2009 was $951,168 (December 31, 2008 - $nil). As at September 30, 2009, there were $925,428 (December 31, 2008 - $562,160) of total unrecognized compensation costs related to unvested share-based compensation awards granted under the stock option plan which are expected to be recognized over a weighted average period of 1.3 years.

(Unaudited, Expressed in United States dollars)

5 — CAPITAL STOCK (continued)

Stock options were granted, exercised, forfeited and outstanding as follows:

	Three months ended September 30, 2009			Nine months ended September 30, 2009		
	Number of options	Weighted average exercise price	Weighted average grant date fair value	Number of options	Weighted average exercise price	Weighted average grant date fair value
		CAD$	CAD$		CAD$	CAD$
Outstanding, beginning of period	4,970,000	0.39	0.44	-	-	-
Granted	350,000	0.52	0.50	5,320,000	0.39	0.44
Exercised	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Outstanding, end of period	5,320,000	0.39	0.44	5,320,000	0.39	0.44
Options exercisable, September 30, 2009				1,860,000	0.37	0.37

The Company's policy is to issue new shares to satisfy share option exercises. Share options are issued with a life of ten years.

Options outstanding at September 30, 2009 have a weighted average remaining contractual life of 9.61 years.

The compensation expense for the nine months ended September 30, 2008 was estimated on a carve-out basis using data relating to options granted to the Company's employees under Resources' stock option plan as the Company did not have its own plan in 2008.

The fair value of each option award in the nine month period ended September 30, 2009 was estimated on the grant date using the Black-Scholes option valuation model, using the following weighted average assumptions:

Expected option life*	**9.96**	**years**
Volatility**	**56%**	
Risk-free interest rate***	**2.42%**	
Dividend yield	**0.00%**	

* The expected option life (estimated period of time outstanding) of options granted was estimated using the historical exercise behaviour of employees with reference to the current weighted average life and intrinsic value of options outstanding as at September 30, 2009.

**The expected volatility was based on historical volatility of Resources for a period of two years.

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

For the nine months ended September 30, 2009, stock-based compensation costs of $41,288 (September 30, 2008 - $150,029) are classified in general office and administration in the statement of deferred exploration costs.

5 — CAPITAL STOCK (continued)

(c) Common share purchase warrants

Prior to the execution of the Transaction, Standard Bank ("Standard") held 2,000,000 warrants to purchase common shares of Resources at a price of CAD $1.30 per share, expiring on August 29, 2010. Pursuant to the warrant agreement and the terms of the business combination, the warrants do not expire upon a change of control. Standard is entitled to receive 0.08 common shares of IMG and 0.125 common shares of the Company for each warrant exercised subsequent to February 25, 2009. On March 13, 2009, IMG and the Company agreed on the ratio of the exercise price that would be received by each in the event that Standard exercises the warrants. Upon exercise, the Company will issue 250,000 common shares and will receive CAD $0.94 per common share issued.

All of the warrants remain outstanding at September 30, 2009.

(d) Loss per share

None of the outstanding stock options or warrants have been included in the diluted loss per share calculation as the impact would be antidilutive.

6 — SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition, exploration and potential development of precious metal properties. Exploration properties (see Note 4) segmented by geographic area were as follows:

	September 30, 2009	December 31, 2008
	$	$
Canada	**44,246**	66,942
Burkina Faso	**29,602,423**	27,504,793
Niger	**795,087**	474,717
	30,441,756	28,046,452

7 — FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities. The fair value of other receivables, accounts payable and accrued liabilities are equivalent to their carrying amounts given their short maturity period. The accounts payable and accrued liabilities balance of $249,625 at September 30, 2009 includes taxes payable of $12,392, which are not financial instruments.

(a) Currency risk

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

(Unaudited, Expressed in United States dollars)

7 — FINANCIAL INSTRUMENTS AND RISKS (continued)

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

	September 30, 2009					
	USD	**CAD**	**EUR**	**CFA**	**Other**	**Total**
Financial assets						
Cash	445	4,924,039	563,302	45,735	-	5,533,521
Other receivables	-	3,644	-	1,119	-	4,763
	445	4,927,683	563,302	46,854	-	5,538,284
Accounts payable and accrued liabilities	(62,454)	(129,511)	(3,658)	(39,904)	(1,706)	(237,233)
Net financial assets (liabilities)	(62,009)	4,798,172	559,644	6,950	(1,706)	5,301,051

A 10% weakening against the US dollar of the currencies to which the Company had exposure at September 30, 2009 would have had the following effects in the nine months ended September 30, 2009 (a 10% strengthening against the US dollar would have had the opposite effect):

	Foreign exchange (losses) gains
	$
CAD	(479,817)
EUR	(55,964)
CFA	(695)
Other	171
	(536,305)

(b) Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. Based on the working capital position at September 30, 2009, the Company has sufficient resources to meet its obligations as they become due. There can be no assurance that the Company will be able to continue to raise sufficient capital to meet future obligations as they become due.

(c) Credit risk

The Company's other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's receivables will fail to discharge their obligations to the Company. The amount of credit risk to which the Company is exposed is insignificant due to the limited amount of other receivables.

(d) Title risk

Title to mineral properties and exploration rights involves certain inherent risks due to the potential for problems arising from the ambiguous conveyancing history characteristic of many mining properties and from political risk associated with the countries in which the Company carries out its exploration activities. The Company has taken all reasonable steps to ensure it has proper title to its properties. However, no guarantees can be provided that there are no unregistered agreements, claims or defects, which may result in the Company's title to its properties being challenged. Furthermore, the Company requires a number of different permits and licenses in order to carry on its business and there can be no assurance that they will be renewed upon expiry.

8 — CAPITAL MANAGEMENT

As at September 30, 2009, the Company's capital consisted entirely of shareholder's equity.

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

9 — RELATED PARTY TRANSACTIONS

One of the Company's available-for-sale investments held at December 31, 2008 was common shares of a publicly traded company of which the Company's CEO was a director. The carrying and fair values of this investment were $nil and $21,443 as at September 30, 2009 and December 31, 2008, respectively. On March 23, 2009, the Company's CEO ceased to be a director of this company.

In the three months ended March 31, 2008, the Company charged $11,003, in administrative fees to San Anton Resource Corporation ("San Anton") for rent and other administrative services that were provided by the Company. During these periods, Orezone's CEO was a director of San Anton and San Anton's President and Chief Executive Officer ("CEO") was a director of Orezone. On April 1, 2008, San Anton ceased to be a related party to the Company.

10 — COMPARATIVE FIGURES

Certain comparative figures in the Financial Statements have been reclassified to be consistent with the current period's presentation. In the six months ended June 30, 2009 and the three and nine months ended September 30, 2008, the gain or loss resulting from foreign exchange changes on cash held during the period were included in operating activities on the statements of cash flows. In the current period, these gains have been excluded from operating activities and presented as part of the impact of exchange rate changes on cash.

11 — SUBSEQUENT EVENT

On October 27, 2009, IMG provided the Company with formal notification that it did not intend to pursue exploration activities at the Company's Kossa property according to the terms of the Kossa Gold Rights Agreement and requested the Company's consent to terminate the agreement. As a result, IMG will no longer have the right to explore for and receive the benefit arising from the exploitation of gold deposits on the permit. Accordingly, the Company has written off receivables in the amount of $104,951 relating to exploration costs that would have been recoverable under the Kossa Gold Rights Agreement had it not been terminated. The Company will be responsible for the payment of annual taxes as well as minimum exploration expenses going forward.