OREZONE GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2009

August 14, 2009

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Management's Discussion and Analysis of Financial Position and Results of Operations (the "MD&A") for the three and six month periods ended June 30, 2009 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, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, 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. Current 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. Orezone 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 this 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"). This 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 U.S. 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.

Introduction

Orezone Gold Corporation ("Orezone" or the "Company") was incorporated under the Canada Business Corporations Act on December 1, 2008 as part of the business combination between Orezone Resources Inc. ("Resources") and IAMGOLD Corporation ("IMG") (the "Transaction"). Upon completion of the Transaction on February 25, 2009, IMG effectively acquired the Essakane Mining Project and the Company acquired the non-Essakane assets and liabilities of Resources as well as CAD $9.7 million in cash. The Company's shares were listed on the Toronto Stock Exchange (the "TSX") under the symbol "ORE" on the same date. The key management and Board of Directors (the "Board") of Resources, with over 14 years of experience exploring, developing, financing and constructing gold operations in Burkina Faso, West Africa, have remained with the new Company. The Company continues to focus on exploration and development of gold properties in Burkina Faso.

The Company's unaudited interim consolidated financial statements for the three and six month periods ended June 30, 2009 (the "Financial Statements") contain amounts that were estimated based on a carve-out of the historical financial results of the non-Essakane assets and liabilities of Resources prior to February 25, 2009, as well as the Company's independent operating results from February 26 to June 30, 2009. The acquisition of the non-Essakane assets and liabilities has been accounted for on a continuity of interest basis. On this basis, the 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 been the independent operator of the non-Essakane exploration interests prior to February 25, 2009.

The MD&A is provided to enable the reader to assess material changes in financial position and results of operations for the three and six month periods ended June 30, 2009, in comparison to the corresponding prior-year period. This document should be read in conjunction with the Financial Statements.

The MD&A is also intended to supplement and complement the audited annual consolidated financial statements and accompanying notes for the fiscal year ended December 31, 2008 (collectively, the "Annual Financial Statements"). As a result, this MD&A should also be read in conjunction with the Annual Financial Statements and Annual Information Form ("AIF") on file with the Canadian provincial securities regulatory authorities, for the year ended December 31, 2008. All dollar amounts in this report are in United States dollars, unless otherwise specified.

The Financial Statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP").

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

Nature of Operations

The Company is engaged in the acquisition, exploration and development of gold properties, primarily in Burkina Faso, West Africa. 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 Company's primary objective is to maximize shareholder value by identifying and developing commercially exploitable gold deposits.

Although the Company began trading publicly on February 25, 2009, the projects, management and Board represent the continuation of Resources' successful track record in Burkina Faso extending back to its inception in 1996. This includes the acquisition, exploration, development, financing, construction and divestiture of Essakane, the largest gold deposit in Burkina Faso. Burkina Faso is on track to become the fourth largest African gold producer by 2011 and much of this production will come from Essakane. Burkina Faso has similar geology, but is relatively unexplored, compared to the neighboring countries of Mali and Ghana, where more major discoveries have been made and a number of large mines have been built.

Burkina Faso has been politically stable for many years, 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 three advanced gold projects. However, in 2009 it will focus the majority of its efforts on the flag ship Bomboré Project that hosts approximately 0.9Moz of indicated resources and 1.8Moz of inferred resources. The Company is actively looking at potential synergies, mergers and acquisitions within the West African region. The Company is considering other strategic alternatives for some of its non-core assets in order to raise additional funds to advance the Bomboré Project with minimal dilution to its share capital.

Significant developments in, and subsequent to, the second quarter of 2009 included:

- On April 23, 2009, the Company announced an exploration budget of $1.8 million for 2009, the majority of which will be spent expanding the resource at Bomboré and completing metallurgical testing to examine the feasibility of using heap leach and/or conventional milling technologies on the deposit;

- At a special meeting held on May 15, 2009, shareholders approved the Company's new stock option plan;

- On July 23, 2009, Dr. James Gill was appointed as a director of the Company;

- The Company announced assay results for the 20 hole 4,500 m diamond drilling program on the Bomboré gold project, which confirmed the continuation of the gold mineralization below the surface oxide resources (average 40 m depth) to a depth of 175 m. The metallurgical test program on the Bomboré project continues to progress on schedule. The Company expects to release results in the fourth quarter of 2009; and

- On August 4, 2009, the Government of Burkina Faso formally approved the renewal of the Namasa and Djarkadougou permits for a period of three years.

Qualified Persons

Dr. Pascal Marquis, P. Geo., 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. Ron Little, P. Eng., the President and Chief Executive Officer ("CEO"), is also a qualified person under NI 43-101.

Exploration Permits

Burkina Faso

All of the Company's properties in Burkina Faso are comprised of exploration permits, as defined by The Burkina Mining Act #031-2003/AN (the "Mining Act"), dated May 8, 2003. At June 30, 2009, the Company had four permits covering approximately 787 km^2 in Burkina Faso. Exploration permits in Burkina Faso give the holder the exclusive right to explore for minerals requested on the surface and subsurface within the boundaries of the permit. Exploration permits are generally valid for a period of three years from the date of issue, and may be renewed for two more consecutive terms of three years for a total of nine years. The Government of Burkina Faso has been amenable to issuing new permits after the expiration of nine years in certain circumstances. The permit holder has the exclusive right, at any time, to convert the exploration permit to a mining exploitation license ("Mining Permit"). For Mining Permits, the government has the right to a 10% carried interest in the corporation formed for the purpose of mining, and a 3% royalty on gold produced.

Niger

In the Republic of Niger, exploration permits are also granted for an initial three year period and are renewable twice with permit size reductions. For exploitation licenses, the government has the right to a 10% carried interest in any Nigerian corporation formed for the purpose of mining, can increase its interest to 40% by participating in development for the permits granted under the 2006-026 Décret dated 9 August 2006, and receives a 5.5% royalty on gold produced. The Company presently has one exploration permit (Kossa) covering 999 km^2 in Niger, granted prior to the 2006-026 Décret. The Kossa permit 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, for the duration of the agreement. 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. The Company, through a wholly owned subsidiary, also holds two uranium exploration permits (Zeline 1 and Zeline 4) covering 982 km^2, which were granted in the second quarter of 2007 by the Government of the Republic of Niger.

The Company has signed Mining Conventions for each of the permits held in Niger, which specify the precise terms of any exploration or mining activity on each permit should the Company elect to take a project into operation. It provides guarantees of exclusivity and fiscal and legal regime. This Convention has a term of 30 years. If the mining life is greater than 30 years, the Conventions provide for re-negotiation. The Conventions grant fiscal incentives only available to the mining industry in Niger, including a five year income tax holiday.

Results of Operations

Resources on the Company's projects are as follows:

Category	Tonnes (millions)	Grade (Au g/tonne)*	Contained Gold (ozs)*
Bomboré			
Measured and indicated resources	49.4	0.59	926,600
Inferred resources	91.8	0.61	1,781,000
Sega			
Measured and indicated resources	7.2	1.94	446,000
Inferred resources	1.3	1.50	64,000
Bondi			
Measured and indicated resources	4.1	2.12	282,000
Inferred resources	2.5	1.84	149,700

* - using a 0.5 g/tonne cut-off except for Bomboré which uses a cut-off of 0.24 g/tonne for the oxide material, 0.25 g/tonne for the transition material and 0.52 g/tonne for the fresh material

Properties

Exploration activity

Exploration expenditures and drilling activity for the Company's significant projects were as follows:

	Three months ended June 30, 2009		Three months ended June 30, 2008		**Six months ended June 30, 2009**		Six months ended June 30, 2008	
	$	***Drilling (m)***	*$*	*Drilling (m)*	***$***	***Drilling (m)***	*$*	*Drilling (m)*
Bomboré	**1,041,759**	**4,502**	991,522	8,627	**1,272,312**	**4,502**	2,647,213	23,657
Sega	**58,764**	**-**	848,678	7,872	**149,472**	**-**	1,222,783	7,872
Bondi	**9,072**	**-**	26,316	-	**65,536**	**-**	69,411	-
Niger and other	**56,653**	**-**	384,419	1,997	**103,483**	**-**	909,641	6,103
	1,166,248	**4,502**	2,250,935	18,496	**1,590,803**	**4,502**	4,849,048	37,632
Write-off of deferred exploration costs	**-**		970,675		**-**		2,496,600	

Bomboré Property

The Company is evaluating the potential of the Bomboré property to host a large-tonnage, low-grade, potentially heap leachable oxide resource that has the benefits of a low strip ratio and favorable infrastructure. The potential also exists to process the deeper sulphide material through a conventional mill. Resources remain open at depth and for the most part on strike. In 2009, the Company is carrying out a metallurgical test program and provided results are positive, will initiate a major drill program to aggressively expand the resources.

The Company began a 4,500 m DD drilling program in April 2009 and completed it in July 2009. The results confirmed the continuity of the deposit to vertical depths down to 175 m. The current resource model is based on drilling completed to an average depth of 55 m and shows continuity and consistency to marginally improving grades at depth. In April 2009, the Company also entered into contracts for the completion of a metallurgical test program designed to evaluate the potential for both heap leach and conventional milling as processing options for the deposit. The metallurgical testing began in May 2009 and is being completed by Ammtec Limited in Australia. The Company has engaged GBM Minerals Engineering Consultants Ltd to supervise the testing. The Company expects to announce the results of the metallurgical testing program in the fourth quarter of 2009.

SRK Consulting (Toronto) audited the Bomboré resource model and estimation procedures and the results were released on November 10, 2008. The resource estimate consists of an Indicated resource of 926,600 ounces of gold contained in 49.4Mt at a grade of 0.59g/t along with Inferred resources of 1,781,000 ounces of gold contained within 91.8Mt at a grade of 0.61g/t (Table 1). This resource estimate is based on RC and core drilling data completed up to May 2007, using a lower cut off of 0.24 g/t in oxide material, 0.25g/t in transition material and 0.52g/t in fresh material, and a 5.0g/t top cut applied to individual samples (on average 1 m length). The resources occur at surface to a depth of up to 100 m in five zones contained within the Bomboré geochemical anomaly. This gold-in-soil anomaly overlying the resources extends virtually uninterrupted at a level of +0.1g/t for more than 14 km and represents the largest gold anomaly in Burkina Faso. Resources are open at depth and for the most part are still open along strike.

Table 1

2008 Audited Mineral Resource Statement* for the Bomboré deposit, Burkina Faso, West Africa, SRK Consulting

	Indicated Mineral Resource			Inferred 1 Mineral Resource			Inferred 2 Mineral Resource		
Weathering Profile	**Tonnage**	**Grade**	**Gold**	**Tonnage**	**Grade**	**Gold**	**Tonnage**	**Grade**	**Gold**
	(Mt)	**(g/t)**	**(Moz)**	**(Mt)**	**(g/t)**	**(Moz)**	**(Mt)**	**(g/t)**	**(Moz)**
Oxide[1]	30.6	0.53	0.52	32	0.46	0.48	2.3	0.33	0.02
Transition[2]	13	0.56	0.23	15.3	0.5	0.25	5.1	0.34	0.05
Fresh[3]	5.7	0.93	0.17	16.8	0.96	0.52	20.3	0.71	0.46
Total	**49.4**	**0.59**	**0.93**	**64.1**	**0.61**	**1.24**	**27.7**	**0.61**	**0.54**

* The cut-off grades are based on a gold price of US$800 per ounce with heap leach processing recoveries of 85% for oxide, 81% for transitional and 65% for fresh material. Indicated and Inferred 1 Mineral Resources are reported within conceptual optimized open pit shells, while Inferred 2 Mineral Resources are all remaining resource blocks located outside the pit shell.
Weathering profiles: [1] reported at a cut-off of 0.24g/t, [2] reported at a cut-off of 0.25g/t, [3] reported at a cut-off of 0.52g/t.
Mt= million metric tonnes; Moz= million troy ounces; g/t= grams gold per tonne.

Exploration expenditures on the Bomboré project in the three months ended June 30, 2009 were similar to the prior year comparative period as the Company undertook drilling programs in both periods. The Company undertook less drilling in the three months ended June 30, 2009 (4,502 m) over the comparative prior period (8,627 m). Exploration expenses were similar in these periods however the drilling in 2009 consisted solely of DD which is more costly to undertake than RC drilling. Expenditures were significantly lower in the six months ended June 30, 2009 as compared to the prior year comparative period as the Company did not begin its drilling program in 2009 until the second quarter. In the six months ended June 30, 2008, the Company completed 23,657 m of drilling in support of the updated resource estimate that was released in November 2008.

Sega Property

The Sega property is being advanced toward potential production as a small heap leach operation. The Company is in the process of completing an internal resource update, the results of which are expected to be released in the third quarter of 2009. The update will incorporate the results of 8,050 m of RC drilling and 4,421 m of core drilling completed in 2007 and 2008. All of the results received to date either support or expand the current modeled resources. Strategic options are also being reviewed which include additional exploration to expand resources and/or combining with other deposits in the area to achieve the critical mass necessary to support a producing operation.

An application to renew the Namasa permit was submitted in March 2009. The Company received formal confirmation of the renewal on August 4, 2009. The Company originally acquired the project from IMG in 2001.

Exploration expenditures for the Sega project in the three and six months ended June 30, 2009 decreased over the comparative prior year periods as only internal resources were used to complete work in the six month period of 2009, while the Company undertook an 11,000 m drilling program in 2008 of which 7,872 m of infill and exploratory drilling was completed in the three months ended June 30, 2008.

The Company abandoned the Zomkalga and Kossouka options in the three months ended June 30, 2008, resulting in a write off of $966,659 in deferred exploration costs.

Bondi Property

The Bondi deposit is a shallow, structurally controlled shear zone hosted gold deposit that contains 282,000 ounces of gold at a grade of 2.12 g/t in the Measured and Indicated category and 149,600 ounces of gold at a grade of 1.84 g/t in the Inferred category. In April 2009, the Company commenced a field mapping exercise aimed at evaluating alternatives to test the southern extension of the deposit. The most cost effective method is likely an air core drilling program which would be initiated in the fourth quarter of 2009. The Company is currently evaluating opportunities to increase resources to a level necessary to support a mining operation as well as other strategic alternatives.

An application to renew the Djarkadougou permit was submitted and the Company received formal confirmation of the renewal on August 4, 2009.

Exploration expenditures were minimal in the three and six months ended June 30, 2009 and 2008 as there was no drilling on the properties in these periods.

The Company abandoned the Poyo permit in the six months ended June 30, 2008 and wrote off related deferred exploration costs of $332,704.

Niger and Other Burkina Faso Properties

The Company did not complete any drilling on the Niger permits in the three and six months ended June 30, 2009 resulting in lower exploration expenses over the comparative prior year period. Drilling in the six months ended June 30, 2008 was limited to the Kossa permit, and the optioned Koyria permit in Niger which was abandoned in the third quarter of 2008. The Company currently has no plans to complete any drilling on the Mo-Cu target on the Kossa permit in 2009. Any exploration carried out on gold targets on the Kossa permit will be reimbursable by IMG in accordance with the Kossa rights agreement (see above).

Uranium permits are currently under force majeure due to political instability in Niger. As a result, exploration expenses have not been significant.

In the six months ended June 30, 2008, the Company abandoned the Nabéré, Tankiédougou, and Komkara permits/options which resulted in a write-off of deferred exploration costs of $1,193,221.

<u>Summary of Quarterly Results and Second Quarter Results</u>

	2009		**2008**			
	Q2	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-
Net loss	(438,532)	(599,791)	(7,196,185)	(2,805,819)	(400,327)	(2,406,832)

	2007			
	Q4	**Q3**	**Q2**	**Q1**
	$	**$**	**$**	**$**
Revenue	-	-	-	-
Net loss	(764,834)	(515,133)	(1,003,823)	(237,442)

As at June 30, 2009, the Company was in the development stage with no operating business segment and no revenue generating activities. Variations in net losses over the ten quarters presented above mainly resulted from quarterly fluctuations in the level of write-offs of deferred exploration costs, financial instrument fair value adjustments and administrative expenses.

Statement of Operations

The Company recorded a net loss of $438,532 and $1,038,323 for the three and six month periods ended June 30, 2009 respectively, compared to a net loss of $400,327 and $2,807,159 for the comparative prior year periods respectively. The decreased loss over the comparative prior year period was mainly due to lower administrative expenses, as well as a decrease in the write-off of deferred exploration costs and an increase in foreign exchange gains over the comparative prior year period. The decreased loss over the first quarter of 2009 was mainly due to lower administrative expenses and foreign exchange gains.

Administrative expenses decreased by $336,480 and $784,221 in the three and six months ended June 30, 2009, versus the comparative prior year periods which was mainly due to:

- $107,766 and $235,598 decreases in salaries, benefits and consulting fees due to reductions in the salary levels of senior executives and a reduction in headcount following the transaction with IMG;
- $175,444 and $190,908 decreases in office, general and administrative expenditures due to a reduction in IT purchases, telecommunication and other related expenses;
- $111,136 and $177,083 decreases in audit, legal, and professional fees due to a reduction in the complexity of the Company's regulatory environment as it is no longer publicly listed in the United States and is no longer subject to the requirements of the Sarbanes-Oxley Act;
- $85,941 and $203,816 decreases in public relations and travel expenses due to a reduction in the number of trade shows attended;
- $13,323 and $48,789 decreases in public company costs as the Company is not publicly listed in the United States; and
- $155,140 and $64,193 increases in stock-based compensation expense due to options being issued in the second quarter of 2009 under the new option plan, a portion of which vested immediately.

Net losses consist of administrative expenses in combination with other non-operating items including write-offs of deferred exploration costs, other income, interest income and interest expense, and gains and losses on the fair value of investments held for trading and foreign exchange. Other non-operating items contributed ($251,878) and ($153,896) to net loss in the three and six month periods ended June 30, 2009. Other non-operating items contributed $626,563 and $830,719 to net loss in the three and six month periods ended June 30, 2008.

The most significant changes in other non-operating items in the three and six month periods ended June 30, 2009 over the comparative prior year periods were:

- $36,178 and $211,368 decreases in the loss in fair value of investments held for trading and $1.7 million decrease in the gain on the sale of available-for-sale investments. The Company no longer holds any short-term investments as they were retained by IMG on closing of the Transaction;
- $54,554 increase in interest income for the three months ended June 30, 2009 due to higher cash on hand compared to the same period in 2008, while the $154,898 decrease in the six month period resulted from lower interest rate yields on deposits;
- $970,675 and $2.5 million decreases in write-offs of deferred exploration costs. No exploration costs were written off in the three and six months ended June 30, 2009; and

- $242,501 and $124,812 increases in foreign exchange gains arising from the appreciation of the Canadian dollar relative to the US dollar over the prior year comparative period.

Liquidity and Capital Resources

The Company had cash of $6.1 million as at June 30, 2009, a decrease of $1.3 million compared to $7.4 million in cash as at March 31, 2009. Cash expenditures of $1.4 million and $1.8 million on mineral interests and $82,665 and $595,413 on operations were made in the three and six month periods ended June 30, 2009.

The Company has no cash flow generating operations, and its long-term financial success is highly dependent on management's ability to discover economically viable mineral deposits. The Company has sufficient capital resources to pursue its exploration programs on its projects in 2009 based on its working capital balance of $6.2 million. However, additional financing will be required in the future to bring one of the Company's properties into production, or to make additional acquisitions or investments within the mining sector. Although the Company has been successful in the past in obtaining such financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares, without par value. Shares issued and outstanding were 53,955,531 as at June 30, 2009.

Off Balance Sheet Agreements

The Company does not have any off balance sheet arrangements.

Transactions with Related Parties

One of the Company's available-for-sale investments as 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 June 30, 2009 and December 31, 2008, respectively. On March 23, 2009, the Company's CEO ceased being 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 this period, the Company's CEO was a director of San Anton and San Anton's President and Chief Executive Officer ("CEO") was a director of the Company. On April 1, 2008, San Anton ceased to be a related party to the Company.

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 risky. There is no assurance that economic deposits will be found and in fact, most companies are unsuccessful due to the very low odds of finding an economic deposit. 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 principal factor which will affect the Company's ability to successfully execute its business plan is the price of gold. The price of gold in US dollars has increased from approximately US $260 per ounce early in 2001 to over US $955 at July 31, 2009. This increase is widely attributed to a weakness in the US dollar. However, the future trend of both the price of gold and the US dollar cannot be predicted with any degree of certainty. The higher gold price improves the economics of any potential development project and just as important, has a favorable impact on the perceptions of investors with respect to gold equities and therefore, the ability of the Company to raise capital.

Investment in the natural resource industry in general, and the exploration sector in particular, involves a great deal of risk and uncertainty and the Company's common shares should be considered as a highly speculative investment. Current and potential investors should give special consideration to the risk factors involved.

Political Risk
The Company's principal assets are located in Burkina Faso, West Africa. While the government of Burkina Faso has modernized its mining code and is considered to be pro mining, no assurances can be provided that this will continue in the future. The Company's ability to carry on its business in the normal course may be adversely affected by political and economic considerations such as civil and tribal unrest, political instability, changing government regulations with respect to mining including environmental requirements, taxation, land tenure, income repatriation and capital recovery, fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties, problems renewing licenses and permits, and the expropriation of property interests. Any of these events could result in conditions that delay or in fact prevent the Company from exploring or ultimately developing its properties if economic quantities of minerals are found. The Company does not currently maintain "Political Risk" insurance.

Currency Risk
In the normal course of operations, the Company is exposed to currency risk because of business transactions in foreign countries. The Company mainly transacts in United States dollars (USD), Canadian dollars (CAD), Euros (EUR), and Communauté Financière Africaine francs (XOF). Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Note 7 to the Financial Statements describes the Company's exposure to currency risk, including the currencies in which the Company's financial instruments were denominated as at June 30, 2009.

Exploration Risk
Mineral exploration is a highly subjective process that requires a very high degree of education, experience, expertise and luck. Furthermore, the Company will be subject to many risk factors that knowledge, expertise and perseverance are insufficient to overcome. The Company is also competing against a large number of companies that have substantially greater financial and technical resources. The probability of finding mineralization in economic quantities that can be profitably mined are very small and no assurances can be given that the Company will be successful.

Development Risk
The successful development of a mineral deposit is dependent upon a large number of technical factors and significant capital expenditures must be made before the effect of many of these factors can be fully quantified. Major assumptions with respect to reserves, production, costs, grades and recoveries for example, can vary significantly from those projected in a feasibility study.

Economic Risk
External factors such as commodity prices, interest and exchange rates and inflation rates all have fluctuated widely in the past and will continue to do so. It is impossible to predict the future direction of these factors, and the impact that they will have on the Company's operations, with any degree of certainty. In particular, the price of gold is a major factor in determining whether or not a project is economic and whether or not capital can be raised to develop it. While the price of gold is currently at relatively high levels, its future direction will be determined by a large number of factors including investor demand, industrial demand, worldwide production levels, forward selling, purchases and sales by central banks, political and financial instability, inflation, interest and currency exchange rates, etc.

Financing Risk
At the present time the Company does not have any producing projects and no sources of revenue. The Company's ability to explore for and find potentially economic properties, and then bring them into production is highly dependent upon its ability to raise equity and debt capital in the financial markets. There is no assurance that the Company will be able to raise the funds required to continue its exploration programs and finance the development of any potentially economic deposit that is identified.

Title Risks
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.

Environmental Risk
Both exploration programs and potential future mining operations are subject to a number of environment related regulations. It is the Company's intention to fully comply with all such legislation in the countries in which it operates, and to fully comply with generally accepted international standards in countries where environmental regulations are not as stringent as international standards. Compliance with these regulations may significantly delay or prevent the Company from carrying on its business in the normal course, or may substantially increase the cost of doing so. Furthermore, exploration and mining activities may cause accidental or unintended negative consequences for the environment that result in fines, penalties or sanctions that represent a significant cost to the Company or prevent it from continuing operations.

Management Dependence
The Company's activities are managed by a very small number of key individuals who are intimately familiar with its operations. At present, the Company does not maintain any key man life insurance.

Critical Accounting Estimates

The accounting policies used in preparing the Financial Statements are consistent with those used in preparing the Company's annual audited financial statements. The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in Canada. However, they do not include all of the information and notes required for annual financial statements. The Financial Statements should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2008. The Financial Statements contain amounts that were estimated based on a carve-out of the historical financial results of the non-Essakane assets and liabilities of Resources prior to February 25, 2009, as well as the Company's independent operating results from February 26 to June 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. 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.

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 any 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 counterparty 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 June 30, 2009.

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.

Recently Issued Accounting Pronouncements

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.

Conversion to International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit-oriented enterprises. 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. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement, and disclosure. The Company has developed and implemented a project plan to ensure full compliance with this requirement by 2011. The Company's project plan consists of three phases:

Phase 1 – Scoping and Planning

This phase includes performing a high-level assessment to determine key areas of focus that will likely be impacted by the adoption of IFRS. The information obtained through this phase will be used to prepare a detailed plan for IFRS convergence. An assessment will also be performed as to whether information technology systems require modification in order to provide relevant and timely data required to meet the new reporting requirements under IFRS.

Phase 2 – Detailed Evaluation

This phase includes a detailed analysis of the impact of IFRS implementation on accounting determinations and disclosures. The detailed analysis will facilitate the selection of accounting policies under IFRS as well as the development of a detailed conversion strategy. A detailed determination of the impact of implementation on current internal control procedures and information technology will also be completed during this phase.

As part of its implementation of IFRS, the Company will be required to comply with "IFRS 1 – First Time Adoption of IFRS" which sets out the rules for first time adoption. In general, IFRS 1 requires an entity to comply with each IFRS statement effective at the reporting date for the entity's first IFRS financial statements. This requires that an entity apply IFRS to its opening IFRS balance sheet as at January 1, 2010 (i.e. the balance sheet prepared at the beginning of the earliest comparative period presented in the entity's first IFRS financial statements). Within IFRS 1 there are exemptions, some of which are mandatory and some of which are elective. The exemptions provide relief for companies from certain requirements in specified areas when the cost of complying with the requirements is likely to exceed the resulting benefit to users of financial statements. IFRS 1 generally requires retrospective application of IFRS statements on first-time adoptions, but prohibits such application in some areas, particularly when retrospective application would require judgments by management about past conditions after the outcome of a particular transaction is already known.

Phase 3 – Implementation and Reporting

This phase includes formally implementing necessary changes to internal control procedures in order to comply with IFRS. In this phase, the final selection of accounting policies, reconciliation of financial statement balances as at January 1, 2010 to IFRS, and ultimately the preparation of financial statements and related disclosures required under IFRS as at and for the year ended December 31, 2011.

Progress to Date

Management has completed the scoping and planning phase. A detailed diagnostic is currently underway to determine key areas of focus and impact. Management has substantially determined the impact of conversion on the presentation and disclosure of its Financial Statements. The Company is now in the process of determining the impact of conversion on the measurement of specific balances in its Financial Statements. No decisions have been made to date regarding accounting policy selection. Management expects to complete the detailed diagnostic by the end of 2009. This will include a narrative disclosure in its 2009 Audited Financial Statements of the anticipated impacts of IFRS implementation on various financial statement balances.

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 disclosure. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have concluded, based on their evaluation of the effectiveness of the Company's disclosure controls and procedures, that these controls and procedures provide reasonable assurance that material information is made known to them by others within the Company. However, a control system, no matter how well conceived, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control Over Financial Reporting

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers Annual and Interim Filings". The Company's ICFR is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable Canadian generally accepted accounting principles ("GAAP"). 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 generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Company's Board of Directors; and

• provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

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

Management, including the CEO and CFO, has assessed the effectiveness of internal controls over financial reporting as of December 31, 2008 and concluded, subject to the limitations noted above, that the Company has sufficient controls to meet the requirements as stated above. The assessment was completed using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO")

Changes in Internal Controls

There have been no significant changes to internal controls in the three and six months ended June 30, 2009.

Other MD&A Requirements

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