OREZONE GOLD CORPORATION

(A Development Stage Company)

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

For the three and nine month periods ended September 30, 2013

Financial Statements

Orezone Gold Corporation
(A Development Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited, expressed in United States dollars)

As at	September 30, 2013	December 31, 2012
	$	$
ASSETS		
Current assets		
Cash	**6,103,390**	16,833,596
Trade and other receivables	**106,067**	62,595
Inventories (Note 5)	**553,580**	672,625
Prepaid expenses and deposits	**191,747**	605,151
Assets held for sale (Notes 7 & 8)	**187,336**	-
Total current assets	**7,142,120**	18,173,967
Non-current assets		
Investment (Note 6)	**2,980,803**	10,106,288
Interests in exploration properties (Note 8)	**5,555,429**	6,592,846
Total assets	**15,678,352**	34,873,101
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**450,196**	1,875,406
Equity (Note 9)		
Share capital	**128,701,509**	128,599,858
Reserves	**13,696,404**	11,305,551
Accumulated deficit	**(127,169,757)**	(106,907,714)
Total shareholders' equity	**15,228,156**	32,997,695
Total liabilities and equity	**15,678,352**	34,873,101

Going Concern (Note 2(b))
Commitments (Note 17)

These financial statements were approved by the Board of Directors of Orezone Gold Corporation on November 13, 2013.

/s/ Ronald N. Little

Ronald N. Little
Director

/s/ Alain Krushnisky

Alain Krushnisky
Director

The accompanying notes form an integral part of these consolidated financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and nine month periods ended September 30, 2013 and 2012
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	$	$	**$**	$
Expenses				
Exploration and evaluation costs (Note 11)	**616,972**	3,244,708	**6,857,030**	16,207,249
General and administrative costs (Note 11)	**660,462**	797,834	**2,553,414**	2,716,708
Share-based compensation (Note 9(b)&(d))	**157,787**	1,354,071	**701,794**	3,121,513
Depreciation and amortization (Note 8)	**271,399**	293,472	**914,751**	866,158
	1,706,620	5,690,085	**11,026,989**	22,911,628
Other (loss) income				
Foreign exchange gain (loss)	**(2,643)**	4,857	**20,335**	(81,696)
Finance income	**17,091**	71,341	**76,803**	204,463
Bank fees/charges	**(2,961)**	(3,268)	**(11,021)**	(11,362)
Gain on sale of Sega project (Note 8)	**-**	-	**-**	25,953,888
Gain on sale of PP&E (Note 7)	**4,436**	-	**22,649**	256,607
Gain on sale of inventory (Note 7)	**499**	-	**35,359**	-
Write-off of mineral property rights (Note 8)	**-**	-	**(231,735)**	-
Impairment of available-for-sale financial assets (Note 6)	**-**	-	**(9,147,444)**	-
Other (loss) income	**16,422**	72,930	**(9,235,054)**	26,321,900
Net (loss) income before tax	**(1,690,198)**	(5,617,155)	**(20,262,043)**	3,410,272
Current income tax expense (Note 8)	**-**	-	**-**	(1,871,888)
Net (loss) income for the period	**(1,690,198)**	(5,617,155)	**(20,262,043)**	1,538,384
Net (loss) income for the period attributable to:				
Common shareholders	**(1,690,198)**	(5,617,155)	**(20,262,043)**	1,878,120
Non-controlling interest	**-**	-	**-**	(339,736)
Net (loss) income per common share, basic and diluted	**(0.02)**	(0.07)	**(0.24)**	0.02
Weighted-average number of common shares outstanding, basic	**85,683,698**	85,624,531	**85,681,225**	85,237,637
Dilutive effect of stock options (Note 9(d))	**-**	-	**-**	3,073,311
Weighted-average number of common shares outstanding, diluted	**85,683,698**	85,624,531	**85,681,225**	88,310,948
Other comprehensive (loss) income				
Net (loss) income for the period	**(1,690,198)**	(5,617,155)	**(20,262,043)**	1,538,384
Net change in fair value of available-for-sale financial assets	**589,598**	2,484,926	**589,598**	2,646,809
Impairment of available-for-sale financial assets (Note 6)	**-**	-	**1,538,914**	-
Foreign currency translation (loss) gain	**542,730**	1,215,158	**(415,542)**	1,438,805
Total other comprehensive income	**1,132,328**	3,700,084	**1,712,970**	4,085,614
Comprehensive (loss) income	**(557,870)**	(1,917,071)	**(18,549,073)**	5,623,998
Comprehensive (loss) income attributable to:				
Common shareholders	**(557,870)**	(1,917,071)	**(18,549,073)**	5,975,284
Non-controlling interest	**-**	-	**-**	(351,286)

All of the above other comprehensive income (loss) items will be subsequently recycled into the statement of income (loss).

The accompanying notes form an integral part of these consolidated financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

For the nine month periods ended September 30, 2013 and 2012

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

	Share capital		Reserves						
	Shares	Amount	Share-based payments (Note 9(b))	Foreign currency translation	Investment revaluation	Changes in subsidiary ownership interests	Accumulated deficit	Non-controlling interest	Total
	#	$	$	$	$	$	$	$	$
Balance, January 1, 2013	85,638,698	128,599,858	10,533,453	2,311,012	(1,538,914)	-	(106,907,714)	-	32,997,695
Stock options exercised	45,000	101,651	(23,911)	-	-	-	-	-	77,740
Share-based compensation	-	-	701,794	-	-	-	-	-	701,794
Impairment of available-for-sale financial assets (Note 6)	-	-	-	-	1,538,914	-	-	-	1,538,914
Net change in the fair value of available-for-sale financial assets	-	-	-	-	589,598				589,598
Foreign currency translation	-	-	-	(528,891)	113,349	-	-	-	(415,542)
Net loss for the period	-	-	-	-	-	-	(20,262,043)	-	(20,262,043)
Balance, September 30, 2013	**85,683,698**	**128,701,509**	**11,211,336**	**1,782,121**	**702,947**	**-**	**(127,169,757)**	**-**	**15,228,156**

	Share capital		Reserves						
	Shares	Amount	Share-based payments (Note 9(b))	Foreign currency translation	Investment revaluation	Changes in subsidiary ownership interests	Accumulated deficit	Non-controlling interest	Total
	#	$	$	$	$	$	$	$	$
Balance, January 1, 2012	83,724,531	123,566,961	7,245,954	972,461	-	2,413,210	(99,034,665)	(230,267)	34,933,654
Stock options exercised	82,000	71,787	(31,975)	-	-	-	-	-	39,812
Change in subsidiary ownership interests (Note 10)	1,818,000	4,926,850	-	-	-	(2,413,210)	(3,095,193)	581,553	-
Share-based compensation	-	-	3,121,513	-	-	-	-	-	3,121,513
Net change in the fair value of available-for-sale financial assets, net of tax (Note 12)	-	-	-	-	2,646,809	-	-	-	2,646,809
Foreign currency translation	-	-	-	1,598,589	(148,234)	-	-	(11,550)	1,438,805
Net income (loss) for the period	-	-	-	-	-	-	1,878,120	(339,736)	1,538,384
Balance, September 30, 2012	**85,624,531**	**128,565,598**	**10,335,492**	**2,571,050**	**2,498,575**	**-**	**(100,251,738)**	**-**	**43,718,977**

The accompanying notes form an integral part of these consolidated financial statements.

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

For the nine month periods ended September 30, 2013 and 2012
(Unaudited, expressed in United States dollars)

	2013	2012
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the period	(20,262,043)	1,538,384
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization (Note 8)	914,751	866,158
Share-based compensation (Note 9(b)&(d))	701,794	3,121,513
Gain on sale of Sega project (Note 8)	-	(25,953,888)
Gain on sale of PP&E (Note 7)	(22,649)	(256,607)
Gain on sale of inventory (Note 7)	(35,359)	-
Finance income	(76,803)	(204,463)
Write-off of mineral property rights (Note 8)	231,735	-
Impairment of available-for-sale financial assets (Note 6)	9,147,444	-
Current income tax expense (Note 8)	-	1,871,888
Changes in non-cash operating working capital (Note 13)	(898,583)	778,668
Total cash outflows from operating activities	(10,299,713)	(18,238,347)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 8)	(242,521)	(1,305,874)
Net cash proceeds from sale of the Sega project	-	14,917,135
Cash proceeds from sale of PP&E	30,033	-
Cash proceeds from sale of inventory	35,359	-
Income taxes paid on sale of Sega project (Note 8)	-	(1,871,888)
Interest received (Note 13)	86,182	208,143
Total cash (outflows) inflows from investing activities	(90,947)	11,947,516
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs	-	(28,419)
Proceeds from exercise of stock options	77,740	39,812
Total cash inflows from financing activities	77,740	11,393
Effect of foreign currency translation on cash	(417,286)	1,210,403
Decrease in cash	(10,730,206)	(5,069,035)
Cash, beginning of period	16,833,596	28,698,108
Cash, end of period	6,103,390	23,629,073

Supplemental cash flow information is provided in Note 13.

The accompanying notes form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

Orezone Gold Corporation (the "Company") was incorporated on December 1, 2008 under the Canada Business Corporations Act and is a publicly listed corporation on the Toronto Stock Exchange (the "TSX"). The Company is primarily engaged in the acquisition, exploration and development of gold properties in Burkina Faso, West Africa. The Company is in the exploration and evaluation phase and is in the process of determining whether any of its mineral properties are technically feasible and commercially viable. The Company's primary objective is to maximize shareholder value by identifying and developing commercially viable gold mining operations.

The address of the Company's corporate office is 290 Picton Avenue, Suite 201, Ottawa, Ontario, Canada, K1Z 8P8.

References to "$" or "US$" are to United States dollars and references to "C$" are to Canadian dollars.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" ("IAS 34").

These Interim Financial Statements were authorized for issue by the Board of Directors on November 13, 2013.

(b) BASIS OF MEASUREMENT

These Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2012 (the "2012 Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2012 Annual Financial Statements, except as noted in Note 3(a) and (b).

These Interim Financial Statements are presented in United States dollars, unless otherwise indicated.

The preparation of condensed consolidated interim financial statements in accordance with IAS 34 requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these Interim Financial Statements, are disclosed in Note 4.

These Interim Financial Statements have been prepared on the basis of principles applicable to a going concern which assumes the Company will continue to meet its obligations and discharge its liabilities for the foreseeable future. The Company is in 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 $20,262,043 during the nine month period ended September 30, 2013 and an accumulated deficit of $127,169,757 at September 30, 2013. The Company has a working capital balance of $6,691,924 at September 30, 2013. Subsequent to September 30, 2013, the Company raised C$5M in common equity through a non-brokered private placement. Management intends to finance operating expenses over the next twelve months with funds currently on hand and/or through raising equity. 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 considerable scope for flexibility in terms of the amount and timing of such expenditures, and those can be adjusted accordingly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in these Interim Financial Statements are consistent with those followed in the preparation of the Company's 2012 Annual Financial Statements, except as follows:

(a) ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets and groups of assets and liabilities which comprise disposal groups are presented as assets held for sale where the asset or disposal group is available for sale in its present condition, and the sale is highly probable. A sale is highly probable if Management is committed to a plan to achieve the sale; there is an active program to find a buyer; the non-current asset or disposal group is being actively marketed at a reasonable price; the sale is anticipated to be completed within one year from the date of classification, and; it is unlikely there will be changes to the plan. Non-current assets held for sale are carried at the lesser of the carrying amount and the fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement or disposition are recognized in net income (loss). Assets classified as held for sale are not depreciated or amortized.

As at September 30, 2013, the assets classified as held for sale do not constitute a major line of business. Accordingly the related results of operations and resulting gains or losses on initial classification, re-measurement or disposition are not presented as discontinued operations.

This accounting policy was adopted by the Company subsequent to December 31, 2012 as the Company did not have assets classified as held for sale for the year ended December 31, 2012.

(b) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED

The Company has not adopted any new standards, amendments or interpretations beyond those presented in the Interim Financial Statements for the three month period ended March 31, 2013.

(c) STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The following remaining standards, amendments and interpretations issued but not yet effective up to the date of the issuance of these Interim Financial Statements, as described in the 2012 Annual Financial Statements, have not been early adopted in these Interim Financial Statements:

- IAS 32, "Financial Instruments: Presentation"

The following standard and interpretation not described in or subsequently amended since the 2012 Annual Financial Statements, have not been early adopted in these Interim Financial Statements:

- IFRS 9, "Financial Instruments" – The International Accounting Standards Board has deferred the mandatory effective date from January 1, 2015. However the new effective date has not yet been finalized.
- IFRIC 21, "Levies" – This interpretation was issued by the IASB in May 2013 and provides guidance on the accounting for levies within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". This interpretation is effective for annual periods beginning on or after January 1, 2014.

The Company reasonably expects these standards, amendments and interpretations to be applicable at a future date and intends to adopt them once they become effective. The Company is currently evaluating the impact that these standards, amendments and interpretations will have on its consolidated financial statements; however the Company does not expect the impact of the resulting changes to the consolidated financial statements to be material.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these Interim Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Interim Financial Statements. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the year of change and future years if the change impacts both 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 Income (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

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.

Sources of estimation uncertainty

Share-based compensation related to stock options and warrants

Management assesses the fair value of stock options and warrants 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

Management reviews its estimate of the useful life of property, plant and equipment annually and accounts for any changes in estimates prospectively.

Impairment of non-financial assets

Management assesses non-financial assets for impairment, as disclosed in Note 3(I) of the 2012 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.

5. INVENTORIES

The cost of material and supplies inventories recognized as an expense during the three and nine month periods ended September 30, 2013 was $22,438 and $550,168 respectively (2012 – $253,311 and $1,287,386 respectively). There were $5,170 in write-downs during the three and nine month periods ending September 30, 2013 (2012 – $nil and $nil respectively) and no reversals of write-downs of inventories to net realizable value during the nine month periods ended September 30, 2013 or 2012. As at September 30, 2013, no specific inventories were pledged as security for liabilities.

6. INVESTMENT

The Company's investment consists entirely of 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 (see Note 8). The shares are classified as available for sale and are subject to orderly market provisions for a period of two years per the terms of the Asset Purchase Agreement with Amara, dated February 3, 2012.

As at September 30, 2013, the value of the Amara shares had declined from their $11,347,201 value at initial recognition to $2,980,803 ($10,106,288 at December 31, 2012). Although the current value represents an increase from the value of $2,216,658 at June 30, 2013, Management treated the decline in value from initial recognition to June 30, 2013 as other than temporary and as such, in the three month period ended March 31, 2013, reclassified the unrealized loss of $5,915,454 previously recorded in equity as part of other comprehensive income (loss) to the Statement of Income (Loss). As well, in the three month period ended June 30, 2013, Management recorded the additional unrealized loss of $3,231,990 directly to the Statement of Income (Loss). In the three month period ended September 30, 2013, the increase of $589,598 in value of the investment has been recorded in other comprehensive income.

7. ASSETS HELD FOR SALE

In Q2 2013 the Company decided to close its field offices in Niger and sell the assets and consumables as a result of Management's decision to put field activities on hold. During the nine months ended September 30, 2013 two pieces of equipment and a vehicle (which was fully depreciated) were sold resulting in a net gain of $22,649 (proceeds of $30,033, tax of $3,541 and a net book value of $3,843). There were also consumables sold resulting in a net gain of $35,359 (proceeds of $35,359 and a net book value of $nil).

As at September 30, 2013, the Company has classified $187,336 of non-financial assets (as at December 31, 2012 - $nil) as assets held for sale. The non-financial assets are made up of land, buildings and equipment. The sale of these assets is expected to be complete within a year of the decision being made to liquidate them (see Note 19(a)). Proceeds on the sale of equipment and consumables will be subject to withholding tax at a rate of 19% while the gain on the sale of the land and building will be subject to a 10% tax.

(Unaudited, expressed in United States dollars)

8. INTERESTS IN EXPLORATION PROPERTIES

Assets not subject to depreciation and amortization	Land	Mineral property rights	Construction in progress	Total
	$	$	$	$
Cost, being carrying amount				
Balance, January 1, 2012	311,356	1,341,983	126,897	1,780,236
Transfer to depreciable property	-	-	(135,200)	(135,200)
Additions	-	-	6,442	6,442
Disposals	-	(16,527)	-	(16,527)
Foreign currency translation	5,197	26,532	1,861	33,590
Balance, December 31, 2012	316,553	1,351,988	-	1,668,541
Disposals	-	(231,735)	-	(231,735)
Transfer to assets held for sale	(139,253)	-	-	(139,253)
Foreign currency translation	8,347	(21,236)	-	(12,889)
Balance, September 30, 2013	**185,647**	**1,099,017**	**-**	**1,284,664**

Assets subject to depreciation and amortization	Building	Capital improve-ments	Field equipment	Vehicles	Office equipment and furniture	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2012	1,990,487	1,394,839	1,649,540	236,647	181,389	5,452,902
Transfer from construction in progress	135,200	-	-	-	-	135,200
Additions	415,321	83,348	617,388	293,507	5,635	1,415,199
Disposals	(33,195)	-	(27,978)	(4,194)	-	(65,367)
Foreign currency translation	40,819	24,977	47,171	3,661	2,133	118,761
Balance, December 31, 2012	2,548,632	1,503,164	2,286,121	529,621	189,157	7,056,695
Additions	-	5,980	179,451	53,341	3,749	242,521
Disposals	-	-	(14,832)	-	-	(14,832)
Transfer to assets held for sale	(46,418)	-	(60,640)	-	-	(107,058)
Foreign currency translation	67,203	39,901	4,698	16,325	(524)	127,603
Balance, September 30, 2013	**2,569,417**	**1,549,045**	**2,394,798**	**599,287**	**192,382**	**7,304,929**
Accumulated depreciation and amortization						
Balance, January 1, 2012	308,226	211,033	258,438	39,021	111,789	928,507
Depreciation for the year	228,498	407,477	416,622	108,837	25,249	1,186,683
Disposals	(2,540)	-	(21,661)	(624)	-	(24,825)
Foreign currency translation	10,670	13,768	11,042	3,793	2,752	42,025
Balance, December 31, 2012	544,854	632,278	664,441	151,027	139,790	2,132,390
Depreciation for the year	189,453	283,311	314,954	107,115	19,918	914,751
Disposals	-	-	(10,989)	-	-	(10,989)
Transfer to assets held for sale	(16,827)	-	(42,148)	-	-	(58,975)
Foreign currency translation	19,082	24,587	7,269	6,913	(864)	56,987
Balance, September 30, 2013	**736,562**	**940,176**	**933,527**	**265,055**	**158,844**	**3,034,164**
Carrying amounts as at:						
December 31, 2012	2,003,778	870,886	1,621,680	378,594	49,367	4,924,305
September 30, 2013	**1,832,855**	**608,869**	**1,461,271**	**334,232**	**33,538**	**4,270,765**

(Unaudited, expressed in United States dollars)

	Nine months ended September 30, 2013	Year ended December 31, 2012
	$	$
Cost, beginning of period	**8,725,236**	7,233,138
Additions	**242,521**	1,421,641
Disposals	**(246,567)**	(81,894)
Transfer to assets held for sale	**(246,311)**	-
Foreign currency translation	**114,714**	152,351
Cost, end of period	**8,589,593**	8,725,236
Accumulated depreciation and amortization, beginning of period	**2,132,390**	928,507
Depreciation and amortization	**914,751**	1,186,683
Disposals	**(10,989)**	(24,825)
Transfer to assets held for sale	**(58,975)**	-
Foreign currency translation	**56,987**	42,025
Accumulated depreciation and amortization, end of period	**3,034,164**	2,132,390
Carrying amounts, beginning of period	**6,592,846**	6,304,631
Carrying amounts, end of period	**5,555,429**	6,592,846

The Company does not currently have depreciation and amortization capitalized in interests in exploration properties.

The Company held the following mineral property rights by area as at September 30, 2013:

	Number of permits	Area (km^2)	Expiry dates[1] of current permits	Expiry dates[1] of potential permit renewals
Bomboré	2	168	02/15 and 07/14	n/a and 07/20
Bondi	1	168	08/15	n/a
	3	**336**		

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

As at	September 30, 2013	December 31, 2012
	$	$
Burkina Faso		
Bomboré	**908,931**	935,270
Bondi	**190,086**	185,202
Total Burkina Faso	**1,099,017**	1,120,472
Brighton, Niger (Uranium)	**-**	231,516
Total mineral property rights	**1,099,017**	1,351,988

[1] In Burkina Faso, exploration permits are valid for a period of three years from the date of issue and may be renewed for two more consecutive terms of three years each. Permits in Burkina Faso are subject to a 25% surface area reduction only upon the second renewal.

Bomboré, Burkina Faso

The Bomboré (105 km^2) and the Toéyoko (63 km^2) permits are located in the Ganzourgou province. The Bomboré permit was renewed in December 2012 for a final two-year term expiring February 2015. The Toéyoko permit was acquired in June 2011 for a three-year term and may be renewed for two more consecutive three-year terms. The Company owns a 100% interest in both permits.

Sega, Burkina Faso

The Sega project consisted of the Tiba (124 km^2) and Namasa (189 km^2) permits.

On May 23, 2012 (the "Closing Date"), the Company completed the sale of the Sega project to Amara for consideration consisting of $15 M in cash and 11 M new common shares of Amara (the "Sega Transaction"). Under the terms of the Sega Transaction, Amara acquired the Tiba and Namasa exploration permits as well as the Sega exploration camp and data accumulated from exploration work completed on related predecessor permits. Amara has also assumed a 3% NSR due to Royal Gold as well as all Burkina Faso Government interests, including the standard sliding scale NSR and 10% carried interest held by the Government of Burkina Faso once a mining permit is granted. The Company recorded a gain on the sale of the permit in the amount of $24,082,000, net of income taxes paid to the Government of Burkina Faso upon closing of $1,871,888, as well as a gain on the sale of the related camp and certain assets in the amount of $256,607. Upon closing of the Sega Transaction, Amara reimbursed the Company for all costs associated with the completion of a 10,000 meter RC drill program at Sega that commenced in 2012. The recovery of $551,789 is shown net of the Sega expenses for the three and nine month periods ended September 30, 2012.

Bondi, Burkina Faso

The Bondi project consists of the Djarkadougou (168 km^2) permit, which is located in the Bougouriba province and expires in August 2015. The Company owns a 100% interest in the permit. This permit was renewed in August 2012 for its final three-year term.

Brighton, Niger (Uranium)

The Company, through its wholly-owned subsidiary Brighton Energy Corporation ("Brighton"), has two uranium exploration permits in Niger. Zéline 1 (241 km^2) expires in October 2015 and may be renewed for one more three-year term with permit size reductions. The Assaouas 1 (239 km^2) permit expires in November 2015. This permit may be renewed for one more three-year term with permit size reductions. The Company also holds Mining Conventions relating to these permits with terms of 20 years, which are renewable until the reserves are exhausted.

In March 2012, the Company acquired the outstanding minority interest, representing 33% of the then issued and outstanding shares of Brighton, and increased its ownership in Brighton to 100% as described in Note 10.

In June 2013, the Company determined that the Zéline 1 and the Assaouas 1 permits were impaired and that it would be unable to recover its investment in the permits. As a result, in the three months ended June 30, 2013, the Company wrote off $231,735 of mineral property rights included with interests in exploration properties.

Subsequent to quarter-end, the Company initiated the process of filing final reports for the Zéline 1 and Assaouas 1 permits as it intends to abandon the permits and return them to the Government of Niger.

(Unaudited, expressed in United States dollars)

9. SHARE CAPITAL

(a) CAPITAL STOCK

Authorized capital stock consists of an unlimited number of common shares, without par value.

On March 29, 2012, the Company completed the Brighton Exchange transaction that resulted in the issuance of 1,818,000 common shares at a volume-weighted average price of C$2.71 per share, as described in Note 10. As a result of the transaction, the Company recorded C$4,904,797 (US$4,926,850) as an increase to share capital.

(b) SHARE-BASED PAYMENT RESERVES

The net change in the components of contributed surplus for the nine month period ended September 30, 2013 and the year ended December 31, 2012 were as follows:

Net change attributable to:	Share-based payments	Common share purchase warrants	Total share-based payment reserves
	$	$	$
Balance, January 1, 2012	7,179,153	66,801	7,245,954
Stock options exercised	(42,166)	-	(42,166)
Share-based compensation	3,329,665	-	3,329,665
Balance, December 31, 2012	10,466,652	66,801	10,533,453
Stock options exercised	(23,911)	-	(23,911)
Share-based compensation	701,794	-	701,794
Balance, September 30, 2013	**11,144,535**	**66,801**	**11,211,336**

(c) COMMON SHARE PURCHASE WARRANTS

On October 4, 2010, the Board of Orezone Inc. approved the issuance of 545,000 warrants to certain members of the Company and its subsidiaries' Management and Board of Directors to purchase 545,000 of the common shares of Brighton held by Orezone Inc. The 2010 Brighton Warrants were issued at a price of C$1.00, vested immediately and expire one year subsequent to the date of an initial public offering by Brighton or other corporate transaction. Reserves as at September 30, 2013 and December 31, 2012 included $66,801 related to the 2010 Brighton Warrants.

(d) SHARE-BASED PAYMENTS

<u>**Orezone Gold Corporation**</u>

On May 15, 2009, the Company's shareholders approved the Company's stock option plan (the "Plan"). Under the terms of the Plan, stock options may be granted to directors, officers, employees and non-employees providing ongoing services to the Company. Stock options are issued at or above market value based on the volume-weighted average price for the five trading days immediately preceding the date of grant, and can have a contractual term of up to ten years and generally vest over two to three years. The maximum number of common shares reserved for issuance under the Plan is equal to 10% of the Company's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement for the Company. The Company does not presently have any other security-based compensation arrangement. All stock options are equity-settled. As at September 30, 2013, based on the Company's total common shares outstanding, a total of 8,568,370 stock options may be issued and outstanding. Based on this, the Company can grant up to 1,654,470 additional stock options beyond what was issued and outstanding as at September 30, 2013. Prior to grant, TSX approval is required to reserve the related common shares for issuance. The Plan must be reapproved by the Company's shareholders every three years in accordance with the rules of the TSX. The Plan was approved by the Company's shareholders at its annual and special meeting held on May 24, 2012.

(Unaudited, expressed in United States dollars)

During 2012, there were 2,309,000 stock options (with strike prices between C$3.65 and C$4.85) forfeited by Directors and Officers, employees and consultants. The expense related to forfeited options unvested at that date was accelerated to record the amount that otherwise would have been recognised for services received over the remainder of the vesting period, which was determined to be the grant date fair value adjusted for the estimated forfeiture rate less any amounts previously expensed relating to the grants.

Stock option activity between January 1, 2012 and September 30, 2013 was as follows:

				Activity during the period					
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Forfeited**	**Closing balance**	**Vested and exercisable**	**Unvested**
		C$	#	#	#	#	#	#	#
05/15/2009	03/25/2019	$0.36	1,125,000	-	-	-	1,125,000	1,125,000	-
05/26/2009	05/26/2019	$0.40	2,115,000	-	65,000	-	2,050,000	2,050,000	-
07/08/2010	07/08/2020	$0.85	455,500	-	17,000	-	438,500	438,500	-
10/21/2010	10/21/2020	$2.35	200,000	-	-	-	200,000	200,000	-
11/16/2010	11/16/2020	$3.65	50,000	-	-	50,000	-	-	-
02/09/2011	02/09/2021	$4.00	810,000	-	-	810,000	-	-	-
04/05/2011	04/05/2021	$4.85	600,000	-	-	600,000	-	-	-
06/22/2011	06/22/2021	$4.25	150,000	-	-	150,000	-	-	-
12/23/2011	12/23/2021	$3.75	909,000	-	-	909,000	-	-	-
04/27/2012	04/27/2017	$1.70	-	2,017,900	14,167	36,833	1,966,900	1,311,271	655,629
05/14/2012	05/14/2017	$1.70	-	55,000	45,000	-	10,000	6,667	3,333
12/17/2012	12/17/2017	$1.50	-	923,500	-		923,500	-	923,500
06/04/2013	06/04/2018	$1.50	-	200,000	-	-	200,000	66,667	133,333
Totals			6,414,500	3,196,400	141,167	2,555,833	6,913,900	5,198,105	1,715,795
Weighted average exercise price			C$1.95	C$1.63	C$1.00	C$4.09	C$1.03	C$0.85	C$1.58

The grant date fair value is calculated using the Black-Scholes option valuation model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioural considerations. Expected volatility is based on the historical share price volatility. During the nine month period ended September 30, 2013 the weighted average market share price at exercise was C$1.80 (2012 - C$2.73). The outstanding options as at September 30, 2013 have a weighted average remaining contractual life of 4.92 years (2012 – 6.06 years).

(Unaudited, expressed in United States dollars)

The Black-Scholes option pricing model input factors used for stock options granted between January 1, 2012 and September 30, 2013 were as follows:

				Weighted average value per stock option				
Grant date	**Expiry date**	**Grant date market price**	**Exercise price**	**Risk-free interest rate**	**Expected life**	**Expected volatility**	**Dividend yield**	**Grant date fair value**
		C$	C$	%	(in years)	%	%	C$
04/27/2012	04/27/2017	1.69	1.70	1.43	3.3	80.87	-	0.93
05/14/2012	05/14/2017	1.41	1.70	1.43	2.0	83.62	-	0.56
12/17/2012	12/17/2017	1.50	1.50	1.25	3.9	81.34	-	0.88
06/04/2013	06/04/2018	0.63	1.50	1.35	4.0	80.64	-	0.25
Weighted average for period		1.56	1.63	1.37	3.5	81.04	-	0.87

As at September 30, 2013, there was $620,040 (as at December 31, 2012 – $1,236,123) of total unrecognized share-based compensation costs related to unvested stock option awards granted under the Plan that are expected to be recognized over a weighted-average term of 0.96 years.

Brighton Energy Corporation

On December 22, 2010, the Board of Directors of Brighton approved the Brighton Stock Option Plan (the "2010 Plan"). Under the terms of the 2010 Plan, stock options may be granted to directors, officers and employees of Brighton or a related entity of Brighton and non-employees providing ongoing services to Brighton. Stock options shall be issued at a price fixed by Brighton's Board of Directors, if the board does not set a price the stock options shall be issued at no less than the price of the common shares issued as part of the most recent private placement (or other equity transaction) prior to the grant date. The stock options can have a contractual term of up to ten years. The maximum number of common shares reserved for issuance under the 2010 Plan is equal to 10% of Brighton's issued and outstanding shares from time to time less the aggregate number of shares reserved for issuance or issuable under any other security based compensation arrangement for Brighton. Brighton does not presently have any other security-based compensation arrangement. All stock options are expected to be equity-settled and are issued with a life of ten years. As at September 30, 2013, a total of 1,500,000 options may be issued in relation to Brighton's issued and outstanding shares. Up to and including September 30, 2013 there have been 1,500,000 stock options issued, 125,000 of those options have been forfeited which leaves 125,000 additional stock options that may be granted by Brighton. As at September 30, 2013, 1,375,000 stock options remained outstanding with a weighted-average exercise price of C$1.00, a weighted-average grant date fair value of C$0.18 and a remaining contractual life of 7.23 years.

On December 22, 2010, the Board of Brighton granted 1,500,000 options with an exercise price of C$1.00 and a life of ten years. The options vest one year subsequent to an initial public offering by Brighton or other corporate transaction or immediately upon change of control. Up to and including September 30, 2013 none of the vesting conditions for the Brighton options have been met.

No share-based compensation costs have been recorded for the three and nine month periods ended September 30, 2013 and 2012 related to the Brighton options since the conditions for vesting have not yet been met. During the three and nine month periods ended September 30, 2013, no stock options were forfeited (2012 – nil).

Dilutive Effect of Stock Options

For the three and nine month periods ended September 30, 2013, 6,913,900 stock options (2012 - 5,951,400 and 265,000 respectively) which could be dilutive in the future were excluded from the computation of diluted earnings per share.

(Unaudited, expressed in United States dollars)

10. BUSINESS COMBINATIONS AND NON-CONTROLLING INTEREST

On March 29, 2012 the Company acquired 5,000,000 common shares of Brighton, representing the remaining 33% minority interest in Brighton (the "Brighton Exchange"). Under the terms of the Brighton Exchange, each minority shareholder received approximately 0.36 free-trading common shares of the Company in exchange for each share of Brighton held, resulting in 1,818,000 new common shares of the Company being issued. The exchange ratio was determined using a value of C$1.00 per share for the shares of Brighton and C$2.75 per share for the shares of the Company. Upon completion of the Brighton Exchange, the Company, together with its subsidiary, owns 100% of Brighton and its wholly-owned subsidiaries Brighton Energy Limited and Niger Resources Inc.

The net proceeds for the Brighton Exchange were computed using an average C$2.71 per share volume-weighted average price for the Company's shares based on the execution dates of the definitive share agreements and resulted in combined net proceeds of C$4,904,797 (US$4,926,850), recorded as an increase to share capital. As a result of the Brighton Exchange, the Company reversed the historical reserve associated with previous Brighton transactions of US$2,413,210 and eliminated the remaining negative non-controlling interest at March 29, 2012 of (US$581,553), with the remaining proceeds of US$3,095,193 recorded as an increase to accumulated deficit.

11. NATURE OF EXPENSES

The components of exploration and evaluation costs and general and administrative costs for the three and nine month periods ended September 30 were as follows:

	Three months ended September 30,		**Nine months ended September 30,**	
	2013	2012	**2013**	2012
	$	$	**$**	$
Drilling and assaying	**-**	1,354,793	**2,156,145**	12,096,136
Exploration and development studies	**176,789**	972,528	**2,583,712**	1,580,120
General, camp, infrastructure and other	**361,201**	750,378	**1,770,061**	1,938,400
Exploration surveys	**78,982**	167,009	**347,112**	592,593
Total exploration and evaluation costs	**616,972**	3,244,708	**6,857,030**	16,207,249
Salaries and employee costs	**440,169**	488,301	**1,639,294**	1,568,325
General and office costs	**79,061**	146,227	**337,701**	381,645
Investor relations and travel	**28,072**	59,155	**153,486**	353,500
Public company costs	**57,028**	60,149	**206,790**	243,303
Professional fees	**56,132**	44,002	**216,143**	169,935
Total general and administrative costs	**660,462**	797,834	**2,553,414**	2,716,708

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and nine month periods ended September 30, 2013 was $865,878 and $3,360,514 respectively (2012 – $1,154,399 and $3,910,661 respectively).

Total general and administrative expense ("G&A") above included both the Company's head office G&A and local office G&A related to operating the Company's subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, director compensation, investor relations and travel, facilities and IT, as well as all costs associated with maintaining the Company's listing on the Toronto Stock Exchange. Total G&A pertaining to the Company's head office for the three and nine month periods ended September 30, 2013 was $425,458 and $1,471,604 respectively (2012 – $508,868 and $1,861,101 respectively).

(Unaudited, expressed in United States dollars)

12. INCOME TAXES

The common stock in Amara comprised part of the consideration on the sale of Sega and as a result the Company could be subject to additional income tax in Canada when the shares are eventually sold. Upon eventual sale of the investment any realized gains will be taxable in Canada as Foreign Accrual Property Income ("FAPI"). The investment is currently in a loss position however if, upon sale, the investment were in a gain position the Company has sufficient non-capital loss carryforwards to offset the potential tax liability. Any capital losses on the eventual sale of the stock are only deductible against FAPI in the same legal entity in the year of actual sale. Accordingly, the Company has not recognized a deferred tax asset relating to the current loss position of the common stock at September 30, 2013. At September 30, 2012, the Company recognized a deferred tax liability of $686,004 relating to the gain on the common stock in Amara. This was fully offset by a corresponding deferred tax asset as the Company had sufficient non-capital losses to offset the potential liability.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the nine month periods ended September 30 were as follows:

	2013	2012
	$	$
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**(56,133)**	(5,122)
Inventories	**133,794**	(51,032)
Prepaid expenses and deposits	**405,416**	326,856
Accounts payable and accrued liabilities	**(1,381,660)**	507,966
	(898,583)	778,668
Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to interest received	**10,799**	6,563

14. SEGMENTED INFORMATION

The Company operates in business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties, as carried out through Orezone Inc.

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

As at	**September 30, 2013**	December 31, 2012
	$	$
Canada	**6,760**	15,968
Burkina Faso	**5,548,669**	6,151,505
Niger	**-**	425,373
	5,555,429	6,592,846

Total additions to the cost of interests in exploration properties segmented by geographic area for the nine month periods ended September 30 were as follows:

	2013	2012
	$	$
Canada	**-**	5,635
Burkina Faso	**242,521**	1,300,239
	242,521	1,305,874

15. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments and exposure to financial risks in these Interim Financial Statements are consistent with the discussion in Note 14 of the 2012 Annual Financial Statements, except as updated below.

The following taxes receivable, prepaid expenses and taxes payable balances included in the consolidated statements of financial position do not meet the definition of a financial instrument, and are thus excluded from the analysis of financial instruments and risk that follows:

As at	**September 30, 2013**	December 31, 2012
	$	$
Taxes receivable, included in trade and other receivables	**15,729**	34,477
Prepaid expenses, included in prepaid expenses and deposits	**133,193**	548,182
Taxes payable, included in accounts payable and accrued liabilities	**18,094**	43,721

(a) FOREIGN CURRENCY RISK

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in United States dollars (“USD”), Canadian dollars (“CAD”), Euros (“EUR”), 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)

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

As at September 30, 2013	**USD**	**CAD**	**EUR & CFA[1]**	**GBP**	**Total**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash	153,728	5,500,438	449,224	-	6,103,390
Trade and other receivables	306	85,898	4,134	-	90,338
Deposits	-	-	58,554	-	58,554
Investment (classified as available-for-sale)	-	-	-	2,980,803	2,980,803
	154,034	5,586,336	511,912	2,980,803	9,233,085
Financial liabilities					
Accounts payable and accrued liabilities	81,965	215,079	135,058	-	432,102
Net financial instruments, September 30, 2013	**72,069**	**5,371,257**	**376,854**	**2,980,803**	**8,800,983**

As at December 31, 2012	USD	CAD	EUR & CFA[1]	GBP	Total
	$	$	$	$	$
Financial assets					
Cash	582,667	15,756,194	494,735	-	16,833,596
Trade and other receivables	9,553	18,565	-	-	28,118
Deposits	-	-	56,969	-	56,969
Investment (classified as available-for-sale)	-	-	-	10,106,288	10,106,288
	592,220	15,774,759	551,704	10,106,288	27,024,971
Financial liabilities					
Accounts payable and accrued liabilities	65,838	997,666	768,181	-	1,831,685
Net financial instruments, December 31, 2012	526,382	14,777,093	(216,477)	10,106,288	25,193,286

A 10% weakening against the USD of the currencies to which the Company had exposure would have had the following effects (a 10% strengthening against the USD would have had the opposite effect):

As at	**September 30, 2013**	December 31, 2012
	$	$
CAD	**(537,126)**	(1,477,709)
EUR & CFA	**(37,685)**	21,648
GBP	**(298,080)**	(1,010,629)

As at September 30, 2013, the fair value hierarchy of financial instruments measured at fair value consisted of the Company's cash and investment balances, which were valued based on Level 1 inputs. The Company does not have financial instruments that are valued based on Level 2 or Level 3 inputs and did not transfer any assets or liabilities between levels on the fair value hierarchy.

The Company has not offset any of its financial assets against its financial liabilities.

[1] The financial instruments held in EUR and CFA have been presented together as the CFA is pegged to the EUR.

The Company is also exposed to foreign currency risk on the CFA currency held as the peg rate to the EUR is periodically reviewed and could be adjusted which may result in a devaluation of currency on hand. The Company manages this risk by minimizing the amount of CFA held at any point in time and by monitoring ongoing discussions concerning the peg rate to ensure that proposed changes are known prior to implementation.

(b) MARKET PRICE RISK

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

(c) LIQUIDITY RISK

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Company's accounts payable and accrued liabilities are due within one year of the end of the reporting periods. The Company currently has sufficient resources to meet its obligations as they become due. The Company will periodically need to raise funds in the future to continue operations, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

(d) CREDIT RISK

The Company's cash and trade and other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments 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 majority of the cash being held in a Canadian chartered bank and the limited amount of trade and other receivables.

(e) TITLE RISK

Title to mineral property rights involves certain inherent risks due to the potential for problems arising from the ambiguous conveyance 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. The Company is also subject to the risk that a new mineral exploration permit or mining permit will not be issued upon expiration of the third term of an exploration permit.

16. CAPITAL MANAGEMENT

As at September 30, 2013, the Company's capital consisted of $9,084,193 of cash and marketable securities and $128,701,509 of common shares (as at December 31, 2012 – $26,939,884 and $128,599,858).

The Company is not subject to any externally imposed capital requirements.

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, periodically raising capital from investors and/or the development and divestiture of non-core assets.

(Unaudited, expressed in United States dollars)

17. COMMITMENTS

As at September 30, 2013, the Company had contractual obligations for environmental impact studies, community impact studies, costs associated with the PEA update and gap analysis for the heap leach scenario, professional services and inventory purchases in the amount of $505,602 (as at December 31, 2012 – $1,866,508). It is expected that the majority of the commitments will be payable throughout the balance of the 2013 fiscal year.

Subsequent to September 30, 2013, the Company entered into further contractual obligations in the amount of $50,617 for equipment rentals, PEA update costs related to the heap leach scenario, laboratory testing, professional services, IT equipment and services and inventory purchases, which are expected to be payable throughout the balance of the 2013 fiscal year.

18. KEY MANAGEMENT COMPENSATION

Key Management Personnel and Director compensation for 2013 and 2012 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	$	$	**$**	$
Short-term key management personnel compensation and benefits and director fees	**311,406**	382,620	**944,094**	1,119,020
Share-based compensation (Note 9(b)&(d))	**118,800**	1,147,591	**537,067**	2,555,873
	430,206	1,530,211	**1,481,161**	3,674,893

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

19. EVENTS AFTER THE REPORTING DATE

(a) SALE OF LAND, BUILDING AND EQUIPMENT

Subsequent to quarter-end, the Company entered into an agreement to sell its land and building in Niger as well as a generator and other equipment. The proceeds on the sale are $361,956, of which $328,960 is allocated to the land and building and the remaining $32,996 is allocated to the generator and other equipment. The taxes, legal fees and registration costs on the transaction are estimated to be $31,536. As at September 30, 2013, the land had a net book value of $139,253, the building had a net book value of $29,591 and the equipment had a net book value of $12,850. The sale of the land and building will be subject to capital gains tax at a rate of 10%. Management expects the total net proceeds to be $330,420.

(b) FINANCING

On October 30, 2013, the Company announced that it had arranged a non-brokered private placement financing of C$5M. Under the terms of the placement, 10 million ordinary common shares of the Company were issued at a price of C$0.50 per share. Directors of the Company subscribed for C$400,000 of the shares. The private placement closed on November 13, 2013.