OREZONE GOLD CORPORATION

(A Development Stage Company)

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in United States dollars)

For the three and six month period ended June 30, 2014

Financial Statements

Orezone Gold Corporation

(A Development Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in United States dollars)

As at	June 30, 2014	December 31, 2013
	$	$
ASSETS		
Current assets		
Cash	**8,907,592**	9,476,471
Trade and other receivables	**42,423**	45,982
Inventories (Note 5)	**475,842**	560,657
Prepaid expenses and deposits	**241,286**	167,363
Total current assets	**9,667,143**	10,250,473
Non-current assets		
Investment (Note 6)	**-**	2,825,738
Interests in exploration properties (Note 7)	**4,748,676**	5,320,983
Total assets	**14,415,819**	18,397,194
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**1,101,203**	341,047
Equity		
Share capital (Note 8)	**133,439,571**	133,439,571
Reserves	**13,345,369**	13,490,331
Accumulated deficit	**(133,470,324)**	(128,873,755)
Total equity	**13,314,616**	18,056,147
Total liabilities and equity	**14,415,819**	18,397,194

Going Concern (Note 2(b))
Income Taxes (Note 10)
Commitments (Note 15)

These financial statements were approved by the Board of Directors of Orezone Gold Corporation on August 14, 2014:

/s/ Ronald N. Little

Ronald N. Little
Director

/s/ Ronald Batt

Ronald Batt
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 Loss and Comprehensive Loss

For the three and six month periods ended June 30, 2014 and 2013

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

	Three months ended June 30,		Six months ended June 30	
	2014	2013	**2014**	2013
	$	$	**$**	$
Expenses				
Exploration and evaluation costs (Note 9)	**2,067,141**	2,031,343	**3,415,535**	6,240,058
General and administrative costs (Note 9)	**666,246**	879,686	**1,311,068**	1,892,952
Share-based compensation (Note 8(b)&(d))	**269,540**	260,898	**490,367**	544,007
Depreciation and amortization (Note 7)	**294,629**	314,908	**582,969**	643,352
	3,297,556	3,486,835	**5,799,939**	9,320,369
Other income (loss)				
Foreign exchange gain (loss)	**(19,206)**	21,920	**9,790**	22,978
Finance income	**24,757**	23,395	**45,192**	59,712
Bank fees/charges	**(3,075)**	(3,633)	**(9,605)**	(8,060)
Gain on sale of PP&E	**-**	10,482	**-**	18,213
Gain on sale of inventory	**-**	34,860	**-**	34,860
Write-off of mineral property rights (Note 8)	**-**	(231,735)	**-**	(231,735)
Realized gain on sale of available-for-sale financial assets (Note 6)	**-**	-	**1,157,993**	-
Impairment of available-for-sale financial assets (Note 6)	**-**	(3,231,990)	**-**	(9,147,444)
Other income (loss)	**2,476**	(3,376,701)	**1,203,370**	(9,251,476)
Net loss for the period	**(3,295,080)**	(6,863,536)	**(4,596,569)**	(18,571,845)
Net loss per common share, basic and diluted	**(0.03)**	(0.08)	**(0.05)**	(0.22)
Weighted-average number of common shares outstanding, basic and diluted (Note 8(d))	**95,683,698**	85,683,698	**95,683,698**	85,679,969
Net loss for the period	**(3,295,080)**	(6,863,536)	**(4,596,569)**	(18,571,845)
Other comprehensive (loss) income				
Net change in fair value of available-for-sale financial assets	**-**	-	**548,941**	-
Realized gain on available-for-sale financial assets (Note 6)	**-**	-	**(1,157,993)**	-
Impairment of available-for-sale financial assets (Note 6)	**-**	-	**-**	1,538,914
Foreign currency translation (loss) gain	**335,313**	(337,539)	**(26,277)**	(958,272)
Total other comprehensive (loss) income	**335,313**	(337,539)	**(635,329)**	580,642
Comprehensive loss	**(2,959,767)**	(7,201,075)	**(5,231,898)**	(17,991,203)

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 six month periods ended June 30, 2014 and 2013
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Share capital						
	Shares	**Amount**	**Share-based payments** (Note 8(b))	**Foreign currency translation**	**Investment revaluation**	**Accumulated deficit**	**Total**
	#	**$**	**$**	**$**	**$**	**$**	**$**
Balance, January 1, 2014	95,683,698	133,439,571	11,370,615	1,488,173	631,543	(128,873,755)	18,056,147
Share-based compensation	-	-	490,367	-	-	-	490,367
Net change in the fair value of available-for-sale financial assets	-	-	-	-	548,941	-	548,941
Foreign currency translation	-	-	-	(151,514)	125,237	-	(26,277)
Realized gain on sale of available-for-sale financial assets (Note 6)	-	-	-	147,728	(1,305,721)	-	(1,157,993)
Net loss for the period	-	-	-	-	-	(4,596,569)	(4,596,569)
Balance, June 30, 2014	**95,683,698**	**133,439,571**	**11,860,982**	**1,484,387**	**-**	**(133,470,324)**	**13,314,616**

	Share capital						
	Shares	**Amount**	**Share-based payments** (Note 8(b))	**Foreign currency translation**	**Investment revaluation**	**Accumulated deficit**	**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	-	-	544,007	-	-	-	544,007
Impairment of available-for-sale financial assets (Note 6)	-	-	-	-	1,538,914	-	1,538,914
Foreign currency translation	-	-	-	(958,272)	-	-	(958,272)
Net loss for the period	-	-	-	-	-	(18,571,845)	(18,571,845)
Balance, June 30, 2013	**85,683,698**	**128,701,509**	**11,053,549**	**1,352,740**	**-**	**(125,479,559)**	**15,628,239**

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 six month periods ended June 30, 2014 and 2013
(Unaudited, expressed in United States dollars)

	2014	2013
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(4,596,569)**	(18,571,845)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization (Note 7)	**582,969**	643,352
Share-based compensation (Note 8(b)&(d))	**490,367**	544,007
Gain on sale of PP&E	**-**	(18,213)
Gain on sale of inventory	**-**	(34,860)
Finance income	**(45,192)**	(59,712)
Realized gain on available-for-sale financial assets (Note 6)	**(1,157,993)**	-
Impairment of available-for-sale financial assets (Note 6)	**-**	9,147,444
Write-off of mineral property rights (Note 8)	**-**	231,735
Changes in non-cash operating working capital (Note 11)	**769,049**	(800,670)
Total cash outflows used in operating activities	**(3,957,369)**	(8,918,762)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 7)	**(27,057)**	(236,128)
Net cash proceeds from sale of available-for-sale financial assets	**3,357,751**	-
Net cash proceeds from sale of PP&E	**-**	22,056
Net cash proceeds from sale of inventory	**-**	34,860
Interest received (Note 11)	**45,421**	67,151
Total cash inflows (outflows) from investing activities	**3,376,115**	(112,061)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of stock options	**-**	77,740
Total cash inflows from financing activities	**-**	77,740
Effect of foreign currency translation on cash	**12,375**	(574,440)
Decrease in cash	**(568,879)**	(9,527,523)
Cash, beginning of period	**9,476,471**	16,833,596
Cash, end of period	**8,907,592**	7,306,073

Supplemental cash flow information is provided in Note 11.

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 Financial Statements were authorized for issue by the Board of Directors on August 14, 2014.

(b) BASIS OF MEASUREMENT

These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2013 (the "2013 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 2013 Annual Financial Statements.

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 described in Note 4.

These 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 $3,295,080 and $4,596,569 during the three and six months ended June 30, 2014 and an accumulated deficit of $133,470,324 at June 30, 2014. The Company has a working capital balance of $8,565,940 at June 30, 2014. Management expects that in addition to using funds currently on hand, additional equity capital will need to be raised in order to fund operations for the next twelve months. Given the continuation of weak investor sentiment and capital market conditions of the gold sector, there exists a material uncertainty as to the Company's ability to raise additional funds on favourable terms. However, the Company's discretionary exploration and development activities have some scope for flexibility in terms of the amount and timing of such expenditures, which can be adjusted accordingly.

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 2013 Annual Financial Statements except the following:

(a) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED

- IAS 32, "Financial Instruments: Presentation" - This amendment prescribes the accounting for offsetting financial assets and financial liabilities. The amendment is effective for annual periods beginning on or after January 1, 2014 and is applied retrospectively. Earlier application was permitted. The application of this pronouncement has not had a material impact on the Company's consolidated financial statements.

- IAS 36, "Impairment of Assets" - this accounting standard was amended to clarify disclosures of the recoverable amount of impaired non-financial assets and is effective for annual periods beginning on or after January 1, 2014. The application of this pronouncement has not had a material impact on the Company's consolidated financial statements.

- 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 application of this pronouncement has not had an impact on the Company's consolidated financial statements.

(b) 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 2013 Annual Financial Statements, have not been early adopted in these Interim Financial Statements:

- IFRS 9, "Financial Instruments" – this accounting standard was amended and is effective for annual periods beginning on or after January 1, 2018.

The following standard and interpretation not described in or subsequently amended since the 2013 Annual Financial Statements, have not been early adopted in these Interim Financial Statements:

- IFRS 11, "Joint Arrangements" – this accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016.

The Company does not expect IFRS 11 to be applicable in the future and therefore does not intend to adopt policies for this IFRS.

- IFRS 15, "Revenue from Contracts with Customers" – This accounting standard was issued by the international Accounting Standards Board in May 2014 and provides interim guidance on accounting for revenue and cash flows arising from a contract with a customer. This standard is effective for annual periods beginning on or after January 1, 2017.

- IAS 16, "Property, Plant and Equipment" - this accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016.

- IAS 38, "Intangible Assets" - this accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016.

The Company reasonably expects IFRS 15, IAS 16 and IAS 38 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

As disclosed in Note 3(k) in the Company's 2013 Annual Financial Statements, Management judgment is applied in capitalizing costs related to acquired mineral property rights and property, plant and equipment. Management has determined that expenditures incurred during the exploration and evaluation phase will be expensed as incurred until it determines that the technical feasibility and commercial viability of a mineral property has been established.

Impairment of non-financial assets

Management assesses non-financial assets for impairment as disclosed in Note 3(l) in the Company's 2013 Annual Financial Statements.

Deferred income taxes

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

Sources of estimation uncertainty

Share-based compensation related to stock options and warrants

Management assesses the fair value of stock options and warrants, as disclosed in Note 3(q) in the Company's 2013 Annual Financial Statements, using the Black-Scholes option pricing model. This model requires Management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected life of the equity-settled instruments. As well, Management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

Useful lives of property, plant and equipment

As disclosed in Note 3(k) in the Company's 2013 Annual Financial Statements, Management reviews its estimate of the useful life of property, plant and equipment annually and accounts for any changes in estimates prospectively.

5. INVENTORIES

The cost of materials and supplies inventories recognized as an expense during the three and six month periods ended June 30, 2014 was $88,232 and $106,929 respectively (2013 – $139,615 and $527,731 respectively). There were no write-downs and no reversals of write-downs of inventories to net realizable value during the six month periods ended June 30, 2014 or 2013. As at June 30, 2014, no specific inventories were pledged as security for liabilities.

6. INVESTMENT

On March 19, 2014, the Company sold its available-for-sale investments which consisted entirely of the 11 million ("M") ordinary common shares of Amara Mining plc ("Amara") (formerly "Cluff Gold plc") acquired as part of the sale of the Sega project in 2012.

The investment was sold for a price of 0.1850 GBP which resulted in net proceeds of $3.4M USD. At initial recognition the shares were recorded at $11.3M. Subsequently, approximately $9.1M of impairment losses were recorded. The sale of the investments for proceeds of $3.4M resulted in a gain of approximately $1.2M.

(Unaudited, expressed in United States dollars)

7. 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, 2013	316,553	1,351,988	-	1,668,541
Disposals	(138,875)	(231,735)	-	(370,610)
Foreign currency translation	11,298	(44,128)	-	(32,830)
Balance, December 31, 2013	188,976	1,076,125	-	1,265,101
Additions	-	-	2,867	2,867
Foreign currency translation	(1,170)	(4,666)	20	(5,816)
Balance, June 30, 2014	**187,806**	**1,071,459**	**2,887**	**1,262,152**

Assets subject to depreciation and amortization	Building	Capital improve-ments	Field equipment	Vehicles	Office equipment and furniture	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2013	2,548,632	1,503,164	2,286,121	529,621	189,157	7,056,695
Additions	-	5,980	179,451	53,341	22,588	261,360
Disposals	(46,292)	-	(44,761)	-	-	(91,053)
Foreign currency translation	113,159	67,683	(3,293)	27,074	(1,978)	202,645
Balance, December 31, 2013	2,615,499	1,576,827	2,417,518	610,036	209,767	7,429,647
Additions	-	-	24,190	-	-	24,190
Foreign currency translation	(16,189)	(9,761)	(12,445)	(3,777)	(1,034)	(43,206)
Balance, June 30, 2014	**2,599,310**	**1,567,066**	**2,429,263**	**606,259**	**208,733**	**7,410,631**
Accumulated depreciation and amortization						
Balance, January 1, 2013	544,854	632,278	664,441	151,027	139,790	2,132,390
Depreciation for the year	254,250	355,219	414,065	144,802	26,735	1,195,071
Disposals	(16,781)	-	(28,108)	-	-	(44,889)
Foreign currency translation	33,004	42,289	6,142	12,107	(2,349)	91,193
Balance, December 31, 2013	815,327	1,029,786	1,056,540	307,936	164,176	3,373,765
Depreciation for the period	130,426	144,782	217,708	75,881	14,172	582,969
Foreign currency translation	(5,173)	(6,563)	(18,218)	(2,005)	(668)	(32,627)
Balance, June 30, 2014	**940,580**	**1,168,005**	**1,256,030**	**381,812**	**177,680**	**3,924,107**
Carrying amounts as at:						
December 31, 2013	1,800,172	547,041	1,360,978	302,100	45,591	4,055,882
June 30, 2014	**1,658,730**	**399,061**	**1,173,233**	**224,447**	**31,053**	**3,486,524**

(Unaudited, expressed in United States dollars)

	Six months ended June 30, 2014	Year ended December 31, 2013
	$	$
Cost, beginning of period	**8,694,748**	8,725,236
Additions	**27,057**	261,360
Disposals	**-**	(461,663)
Foreign currency translation	**(49,022)**	169,815
Cost, end of period	**8,672,783**	8,694,748
Accumulated depreciation and amortization, beginning of period	**3,373,765**	2,132,390
Depreciation and amortization	**582,969**	1,195,071
Disposals	**-**	(44,889)
Foreign currency translation	**(32,627)**	91,193
Accumulated depreciation and amortization, end of period	**3,924,107**	3,373,765
Carrying amounts, beginning of period	**5,320,983**	6,592,846
Carrying amounts, end of period	**4,748,676**	5,320,983

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 June 30, 2014:

	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	June 30, 2014	December 31, 2013
	$	$
Burkina Faso		
Bomboré	**879,162**	882,630
Bondi	**192,297**	193,495
Total mineral property rights	**1,071,459**	1,076,125

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 the permits.

[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. The initial three year Toéyoko permit expired in July 2014, the Company applied for a three year renewal in April 2014 and is expecting a response in Q3.

(Unaudited, expressed in United States dollars)

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"), had two uranium exploration permits in Niger, Zéline 1 (241 km^2) and Assaouas 1 (239 km^2). During Q4 2013, the Company decided to abandon these permits and cease operating in this region. As a result, it submitted final exploration reports and returned the permits to the Government of Niger. The Company had previously recognized an impairment loss of $231,735 in Q2 2013, representing the full amount of the permit acquisition costs capitalized. As a result, no further impairment loss was recognized upon returning the permits.

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.

The Company has filed final reports for the Zéline 1 and Assaouas 1 permits and has abandoned the permits and returned them to the Government of Niger.

8. SHARE CAPITAL

(a) CAPITAL STOCK

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

On November 13, 2013, the Company completed a non-brokered private placement that resulted in the issuance of 10,000,000 common shares at a price of C$0.50 per share. As a result of the transaction, the Company recorded C$5,000,000 (US$4,776,500) as an increase to share capital.

(b) SHARE-BASED PAYMENT RESERVES

The net change in the components of contributed surplus for the six month period ended June 30, 2014 and the year ended December 31, 2013 were as follows:

Net change attributable to:	Share-based payments	Common share purchase warrants	Total share-based payment reserves
	$	$	$
Balance, January 1, 2013	10,466,652	66,801	10,533,453
Stock options exercised	(23,911)	-	(23,911)
Share-based compensation	861,073	-	861,073
Balance, December 31, 2013	11,303,814	66,801	11,370,615
Share-based compensation	490,367	-	490,367
Balance, June 30, 2014	**11,794,181**	**66,801**	**11,860,982**

(Unaudited, expressed in United States dollars)

(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"). 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 June 30, 2014 and December 31, 2013 included $66,801 related to the 2010 Brighton Warrants.

(d) SHARE-BASED PAYMENTS

Orezone Gold Corporation

On May 15, 2009, the Company's shareholders approved the Company's stock option 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 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 and are issued with a contractual life of five to ten years. As at June 30, 2014, based on the Company's total common shares outstanding, a total of 9,568,370 stock options may be issued and outstanding. Based on this, the Company could grant up to 754,470 additional stock options beyond what was issued and outstanding as at June 30, 2014. 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 May 24, 2012.

Stock option activity between January 1, 2013 and June 30, 2014 was as follows:

Grant date	Expiry date	Exercise price	Opening balance	Activity during the period			Closing balance	Vested and exercisable	Unvested
				Granted	Exercised	Forfeited			
		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	2,050,000	-	-	-	2,050,000	2,050,000	-
07/08/2010	07/08/2020	$0.85	438,500	-	-	-	438,500	438,500	-
10/21/2010	10/21/2020	$2.35	200,000	-	-	-	200,000	200,000	-
04/27/2012	04/27/2017	$1.70	1,975,400	-	-	8,500	1,966,900	1,966,900	-
05/14/2012	05/14/2017	$1.70	55,000	-	45,000	-	10,000	10,000	-
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	133,334	66,666
01/30/2014	01/30/2019	$0.65	-	1,600,000	-	-	1,600,000	-	1,600,000
05/26/2014	05/26/2019	$0.65	-	300,000	-	-	300,000	100,000	200,000
Totals			6,767,400	2,100,000	45,000	8,500	8,813,900	6,023,734	2,790,166
Weighted average exercise price			C$1.02	C$0.73	C$1.70	C$1.70	C$0.95	C$0.67	C$0.58

The grant date fair value is calculated using the Black-Scholes option pricing 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 six month period ended June 30, 2014 the weighted average market share price at exercise was C$Nil as no options were exercised in the period (2013 - C$1.80). The outstanding options as at June 30, 2014 have a weighted average remaining contractual life of 4.28 years (2013 – 5.17 years).

(Unaudited, expressed in United States dollars)

The Black-Scholes option valuation model input factors used for stock options granted between January 1, 2013 and June 30, 2014 were as follows:

				Weighted average value per stock option				
Grant date	**Expiry date**	**Grant date market price**	**Exercise price[1]**	**Risk-free interest rate**	**Expected life**	**Expected volatility**	**Dividend yield**	**Grant date fair value**
		C$	C$	%	(in years)	%	%	C$
06/04/2013	06/04/2018	0.63	1.50	1.35	4.0	80.64	-	0.25
01/30/2014	01/30/2019	0.69	0.65	1.62	3.9	84.84	-	0.43
05/26/2014	05/26/2019	0.64	0.65	1.44	4.0	84.44	-	0.39
Weighted average for period		0.68	0.73	1.57	3.9	84.38	-	0.41

As at June 30, 2014, there was $701,846 (as at December 31, 2013 – $444,981) 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 1.19 years.

[1] The options granted on January 30, 2014 were priced using the five day volume weighted average price in accordance with the Toronto Stock Exchange ("TSX").

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 June 30, 2014, a total of 1,500,000 options may be issued in relation to Brighton's issued and outstanding shares. Up to and including June 30, 2014 there have been 1,500,000 stock options issued, 225,000 of those options have been forfeited which leaves 225,000 additional stock options that may be granted by Brighton. As at June 30, 2014, 1,275,000 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 6.48 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 June 30, 2014 none of the vesting conditions for the Brighton options have been met.

No share-based compensation costs have been recorded for the three and six month periods ended June 30, 2014 and 2013 related to the Brighton options since the conditions for vesting have not yet been met. During the three and six month periods ended June 30, 2014, no stock options were forfeited (2013 – nil).

(Unaudited, expressed in United States dollars)

Management intends to wind-up the Brighton Energy Corporation subsidiary given that there are no longer any business activities. Once complete, the Brighton options and warrants will expire.

Dilutive Effect of Stock Options

For the three and six month periods ended June 30, 2014, 8,813,900 stock options (2013 - 6,922,400) which could have been dilutive were excluded from the computation of diluted earnings per share as the Company realized a net loss and it would be anti-dilutive to include them.

9. NATURE OF EXPENSES

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
		$		$
Drilling and assaying	**784,737**	288,699	**1,144,346**	2,156,145
Exploration and development studies	**785,872**	1,077,096	**1,349,199**	2,406,923
General, camp, infrastructure and other	**430,369**	554,962	**784,152**	1,408,860
Exploration surveys	**66,163**	110,586	**137,838**	268,130
Total exploration and evaluation costs	**2,067,141**	2,031,343	**3,415,535**	6,240,058
Salaries and employee costs	**374,021**	562,120	**767,128**	1,199,125
Public company costs	**58,156**	68,881	**157,269**	149,762
General and office costs	**90,206**	119,599	**150,709**	258,640
Professional fees	**103,446**	93,054	**155,921**	160,011
Investor relations and travel	**40,417**	36,032	**80,041**	125,414
Total general and administrative costs	**666,246**	879,686	**1,311,068**	1,892,952

Total short-term employee compensation and benefits expense excluding share-based compensation for the three and six month periods ended June 30, 2014 was $897,036 and $1,751,394 respectively (2013 – $1,040,052 and $2,494,636 respectively). There were no bonuses accrued in 2013 or in the three and six month period ended June 31, 2014, accordingly, these amounts represent salary and benefits only.

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 six month periods ended June 30, 2014 was $373,297 and $800,489 respectively (2013 – $432,050 and $1,046,146 respectively).

10. INCOME TAXES

The sale of the Company's common stock holding in Amara did not result in additional taxes owing as the proceeds were less than the value of the stock on the date it was received. A capital loss for tax purposes of approximately $7,071,482 was realized on the sale. However, given that the stock was held by one of the Company's foreign subsidiaries, the capital loss is treated as a foreign accrual property loss ("FAPL") which may only be deducted against foreign accrual property income ("FAPI") for tax purposes. The Company has not recorded any deferred tax asset related to the FAPL that arose from the sale of the shares.

(Unaudited, expressed in United States dollars)

On April 14, 2014, the Company's Burkina Faso operating subsidiary ("SARL") received a letter from the local tax authority indicating it intended to substantially re-assess taxes owing by the subsidiary. SARL disagreed with all of the positions presented in the letter, some of which were based on incorrect information, and responded formally with explanations of its original filing positions with reference to the Tax Code. Subsequent to June 30, 2014, SARL received a formal tax reassessment for a reduced amount. The subsidiary has issued an appeal notice to the tax authority, who has informally agreed to suspend processes to request payment of the assessed amount until the appeal process is complete. While Management is of the view that the filing position taken and taxes paid with respect to the disputed items were appropriate based on its interpretation of related tax legislation, there remains a possibility that additional taxes will be paid. As at June 30, 2014, no amounts have been accrued in the Company's financial statements related to potential liabilities arising from the settlement of the disputed items. The Company continues to not disclose specific details of the claim from the tax department as Management is of the view that it would prejudice the outcome of the dispute.

11. SUPPLEMENTAL CASH FLOW INFORMATION

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

	2014	2013
	$	$
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**2,815**	(65,274)
Inventories	**81,445**	110,901
Prepaid expenses and deposits	**(73,050)**	254,810
Accounts payable and accrued liabilities	**757,839**	(1,101,107)
	769,049	(800,670)
Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to interest received	**450**	7,439

12. 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	**June 30, 2014**	December 31, 2013
	$	$
Canada	**16,158**	21,818
Burkina Faso	**4,732,518**	5,299,165
	4,748,676	5,320,983

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

	2014	2013
	$	$
Burkina Faso	**27,057**	236,128

13. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed through its exploration and evaluation activities to the following financial risks: foreign currency risk, liquidity risk, credit risk and title risk. In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated. The overall objective of the Board of Directors is to set policies that seek to reduce risk without unduly affecting the Company's competitiveness and flexibility.

The Company's financial instruments consist of cash, trade and other receivables, certain refundable deposits, investments and accounts payable and accrued liabilities. The fair value of trade and other receivables, refundable deposits and accounts payable and accrued liabilities are equivalent to their carrying amounts given their short maturity period.

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	**June 30, 2014**	December 31, 2013
	$	$
Taxes receivable, included in trade and other receivables	**29,318**	32,828
Prepaid expenses, included in prepaid expenses and deposits	**194,111**	108,252
Taxes payable, included in accounts payable and accrued liabilities	**37,838**	31,404

(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 June 30, 2014	**USD**	**CAD**	**EUR & CFA[1]**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	42,424	8,432,258	432,910	8,907,592
Trade and other receivables	71	9,960	3,074	13,105
Deposits	-	-	47,175	47,175
	42,495	8,442,218	483,159	8,967,872
Financial liabilities				
Accounts payable and accrued liabilities	306,301	302,594	454,470	1,063,365
Net financial instruments, June 30, 2014	**(263,806)**	**8,139,624**	**28,689**	**7,904,507**

As at December 31, 2013	USD	CAD	EUR & CFA[1]	GBP	Total
	$	$	$	$	$
Financial assets					
Cash	279,515	8,562,758	634,198	-	9,476,471
Trade and other receivables	96	11,043	2,015	-	13,154
Deposits	-	-	59,111	-	59,111
Investment (classified as available-for-sale)	-	-	-	2,825,738	2,825,738
	279,611	8,573,801	695,324	2,825,738	12,374,474
Financial liabilities					
Accounts payable and accrued liabilities	7,986	150,901	150,756	-	309,643
Net financial instruments, December 31, 2013	271,625	8,422,900	544,568	2,825,738	12,064,831

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	**June 30, 2014**	December 31, 2013
	$	$
CAD	**(813,962)**	(842,290)
EUR & CFA	**(2,869)**	(54,457)
GBP	**-**	(282,574)

As at June 30, 2014, the fair value hierarchy of financial instruments measured at fair value consisted of the Company's cash 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 held shares of a publicly traded company and was subject to the risk that the fair value or future cash flows of this financial instrument would fluctuate because of changes in the market price. The shares were sold March 19, 2014.

(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.

Although the Company intends to complete all of the required deliverables in order to apply for a mining permit for the Bomboré project prior to the expiry of its exploration permit on February 17, 2015, unforeseen costs or delays may impact its ability to do so successfully prior to the exploration permit expiry and there can be no assurance that the Company will be successful in obtaining a mining permit prior to expiry.

(Unaudited, expressed in United States dollars)

14. CAPITAL MANAGEMENT

As at June 30, 2014, the Company's capital consisted of $8,907,592 of cash and $133,439,571 of common shares (as at December 31, 2013 – $12,302,209 and $133,439,571), December 31, 2013 balance includes both cash and available-for-sale securities which were sold on March 19, 2014.

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.

15. COMMITMENTS

As at June 30, 2014, the Company had contractual obligations for environmental and social impact studies, feasibility costs, head office rent, professional fees, drilling activities, communication services, metallurgical work, and equipment and inventory purchases and rentals in the amount of $1,808,943 (as at December 31, 2013 – $199,938). The schedule of certain payments is dependent upon the contractors' ability to complete various milestones, however it is expected that the majority of the commitments will be payable throughout the 2014 fiscal year.

Subsequent to June 30, 2014, the Company entered into further contractual obligations in the amount of $693,986 for drilling activities, environmental and social impact studies, laboratory management, feasibility costs, and equipment and inventory purchases, which are expected to be payable throughout the 2014 fiscal year.

16. KEY MANAGEMENT COMPENSATION

Key Management Personnel and Director compensation for the three and six month periods ended June 30 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
		$		$
Short-term key management personnel compensation and benefits and director fees	**274,687**	310,141	**544,916**	632,688
Share-based compensation (Note 8(b)&(d))	**208,150**	203,463	**370,898**	418,267
	482,837	513,604	**915,814**	1,050,955