OREZONE GOLD CORPORATION

(A Development Stage Company)

Annual Consolidated Financial Statements

(Expressed in United States dollars)

For the years ended December 31, 2014 and 2013

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Orezone Gold Corporation.

The accompanying annual consolidated financial statements (the "Financial Statements") of Orezone Gold Corporation (the "Company") and all the information in the Management's Discussion and Analysis ("MD&A") are the responsibility of Management and have been approved by the Company's Board of Directors (the "Board").

The Financial Statements have been prepared by Management in accordance with International Financial Reporting Standards. The Financial Statements include certain amounts that are based on the best estimates and judgments of Management and in their opinion present fairly, in all material respects, the Company's financial position, results of operations and cash flows. When alternate accounting methods exist, Management has chosen those methods it deems most appropriate under the circumstances.

Management is responsible for the integrity of the Financial Statements and has developed and maintains a system of internal controls, which they believe provide reasonable assurance that transactions are properly authorized and recorded, that financial records are reliable and form a proper basis for the preparation of Financial Statements and that the Company's assets are properly accounted for and safeguarded. The internal control processes include Management's communication to employees of policies that govern ethical business conduct.

The Board is responsible for overseeing Management's performance of its responsibility for financial reporting and is ultimately responsible for reviewing and approving the Financial Statements. The Audit Committee meets periodically with Management, as well as the independent external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy itself that each party is properly discharging its responsibilities and to review the Financial Statements and the external auditor's report. The Audit Committee reports its findings to the Board for consideration when the Board approves the Financial Statements for issuance. The Audit Committee also considers, for review by the Board and approval by the Company's shareholders, the engagement or re-appointment of the independent external auditors.

The Financial Statements have been audited by Deloitte LLP, the independent external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Company's shareholders. Deloitte LLP have full and free access to the Audit Committee.

/s/ Ronald N. Little

Ronald N. Little
Chief Executive Officer

March 31, 2015

/s/ Sean Homuth

Sean Homuth
Chief Financial Officer

March 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Orezone Gold Corporation

We have audited the accompanying consolidated financial statements of Orezone Gold Corporation and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Orezone Gold Corporation as at December 31, 2014 and December 31, 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(b) in the consolidated financial statements, which indicates that there exists material uncertainties that may bear upon Orezone Gold Corporation's ability to continue as a going concern.

/s/ Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
March 31, 2015

Orezone Gold Corporation

(A Development Stage Company)

Consolidated Statements of Financial Position

(Expressed in United States dollars)

As at	**December 31, 2014**	December 31, 2013
	$	$
ASSETS		
Current assets		
Cash	**3,415,283**	9,476,471
Trade and other receivables	**33,341**	45,982
Inventories (Note 5)	**394,539**	560,657
Prepaid expenses and deposits	**128,588**	167,363
Total current assets	**3,971,751**	10,250,473
Non-current assets		
Investment (Note 6)	**-**	2,825,738
Interests in exploration properties (Note 7)	**3,785,638**	5,320,983
Total assets	**7,757,389**	18,397,194
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**1,292,775**	341,047
Equity		
Share capital (Note 8)	**133,439,571**	133,439,571
Reserves	**12,796,220**	13,490,331
Accumulated deficit	**(139,771,177)**	(128,873,755)
Total equity	**6,464,614**	18,056,147
Total liabilities and equity	**7,757,389**	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 March 31, 2015:

/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)

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2014 and 2013
(Expressed in United States dollars, except for number of share amounts)

	2014	2013
	$	$
Expenses		
Exploration and evaluation costs (Note 9)	**7,548,248**	7,712,756
General and administrative costs (Note 9)	**2,510,503**	3,153,126
Share-based compensation (Note 8(c))	**906,706**	861,073
Depreciation and amortization (Note 7)	**1,109,987**	1,195,071
	12,075,444	12,922,026
Other income (loss)		
Foreign exchange gain	**67,053**	51,018
Finance income	**71,087**	97,501
Bank fees/charges	**(15,952)**	(17,787)
Gain on sale of PP&E	**-**	169,073
Gain on sale of Inventory	**-**	35,359
Write-off of mineral property rights (Note 7)	**-**	(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)	**-**	(9,147,444)
Other income (loss)	**1,280,181**	(9,044,015)
Net loss before tax	**(10,795,263)**	(21,966,041)
Income tax expense	**(102,159)**	-
Net loss for the year	**(10,897,422)**	(21,966,041)
Net loss per common share, basic and diluted	**(0.11)**	(0.25)
Weighted-average number of common shares outstanding, basic and diluted (Note 8(c))	**95,683,698**	86,996,917
Net loss for the year	**(10,897,422)**	(21,966,041)
Other comprehensive (loss) income		
Net change in fair value of available-for-sale financial assets	**548,941**	371,250
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	**(991,765)**	(562,546)
Total other comprehensive (loss) income	**(1,600,817)**	1,347,618
Comprehensive loss	**(12,498,239)**	(20,618,423)

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)

Consolidated Statements of Changes in Equity

For the years ended December 31, 2014 and 2013

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

	Share capital						
	Shares	Amount	Share-based payments (Note 8)	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	-	-	906,706	-	-	-	906,706
Net change in the fair value of available-for-sale financial assets	-	-	-	-	548,941	-	548,941
Foreign currency translation	-	-	-	(1,117,002)	125,237	-	(991,765)
Realized gain on sale of available-for-sale financial assets (Note 6)	-	-	-	147,728	(1,305,721)	-	(1,157,993)
Net loss for the year	-	-	-	-	-	(10,897,422)	(10,897,422)
Balance, December 31, 2014	**95,683,698**	**133,439,571**	**12,277,321**	**518,899**	**-**	**(139,771,177)**	**6,464,614**

	Share capital						
	Shares	Amount	Share-based payments (Note 8)	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 capital issued (Note 8)	10,000,000	4,776,500	-	-	-	-	4,776,500
Share issuance costs	-	(38,438)	-	-	-	-	(38,438)
Share-based compensation	-	-	861,073	-	-	-	861,073
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	-	-	-	-	371,250	-	371,250
Foreign currency translation	-	-	-	(822,839)	260,293	-	(562,546)
Net loss for the year	-	-	-	-	-	(21,966,041)	(21,966,041)
Balance, December 31, 2013	**95,683,698**	**133,439,571**	**11,370,615**	**1,488,173**	**631,543**	**(128,873,755)**	**18,056,147**

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

Orezone Gold Corporation

(A Development Stage Company)

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013
(Expressed in United States dollars)

	2014	2013
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	**(10,897,422)**	(21,966,041)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization (Note 7)	**1,109,987**	1,195,071
Share-based compensation (Note 8(c))	**906,706**	861,073
Gain on sale of PP&E	**-**	(169,073)
Gain on sale of inventory	**-**	(35,359)
Finance income	**(71,087)**	(97,501)
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 7)	**-**	231,735
Changes in non-cash operating working capital (Note 11)	**1,145,023**	(929,020)
Total cash outflows used in operating activities	**(8,964,786)**	(11,761,671)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note 7)	**(64,299)**	(261,360)
Net cash proceeds from sale of available-for-sale financial assets	**3,357,751**	-
Net cash proceeds from sale of PP&E	**-**	362,944
Net cash proceeds from sale of inventory	**-**	35,359
Interest received (Note 11)	**76,605**	103,489
Total cash inflows from investing activities	**3,370,057**	240,432
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs	**-**	(14,032)
Net proceeds from private placement	**-**	4,776,500
Proceeds from exercise of stock options	**-**	77,740
Total cash inflows from financing activities	**-**	4,840,208
Effect of foreign currency translation on cash	**(466,459)**	(676,094)
Decrease in cash	**(6,061,188)**	(7,357,125)
Cash, beginning of year	**9,476,471**	16,833,596
Cash, end of year	**3,415,283**	9,476,471

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 consolidated financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These Financial Statements were authorized for issue by the Board of Directors on March 31, 2015.

(b) BASIS OF MEASUREMENT

These Financial Statements have been prepared on a historical cost basis, except for the available-for-sale financial assets which are measured at fair value. These Financial Statements are presented in United States dollars, unless otherwise indicated.

The preparation of consolidated financial statements in accordance with IFRS 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 Financial Statements, are disclosed 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 $10,897,422 during the year ended December 31, 2014 and an accumulated deficit of $139,771,177 at December 31, 2014. In addition to using funds currently on hand, proceeds from the royalty purchasing agreement entered into on January 27, 2015 (see Note 17) will be used to fund operations for the next twelve months. Based on the Company's current estimate of planned expenditures, funds on hand at December 31, 2014 as well the initial $3M drawn on the royalty financing in January 2015, the Company can fund operations until approximately September 2015. The additional $5M standby facility, if drawn, would enable the Company to fund operations until approximately October 2016. In order to fund operations beyond October 2016, the Company must raise additional equity capital. 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. If the Company is unsuccessful in resolving its tax dispute in Burkina Faso favourably (see Note 10), the potential liability arising from the dispute could have a materially adverse impact on the Company's ability to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these Financial Statements.

(a) BASIS OF CONSOLIDATION

These Financial Statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until control ceases. Control is established when the Company has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Company. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. All material intercompany transactions and balances are eliminated in full on consolidation.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest exists, any losses of that subsidiary are attributed to the non-controlling interests even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The subsidiaries of the Company and their principal activities as at December 31, 2014 were as follows:

Name of subsidiary	**Place of incorporation**	**Ownership interest as at**		**Principal activity**
		December 31, 2014	December 31, 2013	
Orezone Inc.	British Virgin Islands	100%	100%	Exploration & Development
Orezone Inc. SARL	Burkina Faso	100%	100%	Exploration & Development
Brighton Energy Corporation[1]	Canada	100%	100%	Holding Company
Brighton Energy Limited[1]	British Virgin Islands	100%	100%	Holding Company
Niger Resources Inc.[1]	British Virgin Islands	100%	100%	Holding Company
Burkina Resources Inc.	British Virgin Islands	100%	100%	Inactive

[1] The principal activity of Niger Resources Inc. was exploration and development until November 1, 2013 when the exploration permits were abandoned. See Note 7.

(b) FINANCIAL CURRENCY AND FOREIGN CURRENCY TRANSLATION

These Financial Statements are presented in United States dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates (the "functional currency"). The Company's functional currency is the Canadian dollar.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period: monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date; non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date; and, non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Such exchange differences arising from retranslation are recognized in net income (loss).

Foreign operations are translated from their functional currencies into the Company's functional currency (Canadian dollars) on consolidation by applying the exchange rates prevailing at the end of the reporting year for assets and liabilities and the average exchange rate for the year for consolidated statements of comprehensive loss items. Such exchange differences, including differences that arise relating to long-term intercompany balances that form part of the net investment in the foreign operation, are recognized in other comprehensive income (loss).

The consolidated financial statements are translated into the presentation currency (United States dollars) as follows: all assets and liabilities are translated at the exchange rates prevailing at the end of the reporting year; equity balances are translated at the rates of exchange at the transaction dates. All items included in the consolidated statements of comprehensive loss are translated using the average monthly exchange rates unless there are significant fluctuations in the exchange rate, in which case the rate at the date of the transaction is used. Exchange differences arising on the translation to the presentation currency are recorded in the foreign currency translation reserve.

(c) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. For each business combination at the acquisition date, the Company recognizes at fair value all of the identifiable assets acquired, the liabilities assumed, the non-controlling interest in the acquiree and the aggregate of the consideration transferred, including any contingent consideration to be transferred. When the fair value of the consideration transferred and the amount recognized for non-controlling interest exceeds the net amount of the identifiable assets acquired and the liabilities assumed measured at fair value (the “net identifiable assets”), the difference is treated as goodwill. The Company does not currently have goodwill.

Acquisition costs are expensed as incurred in net income (loss). Costs associated with the issuance of equity are charged to the relevant account within equity.

Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, and attributed to the shareholders of the Company, through reserves.

(d) FINANCIAL INSTRUMENTS

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

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

The Company does not currently have derivative instruments.

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

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

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

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in interest-bearing accounts with high credit quality financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The Company does not currently have cash equivalents.

(f) INVENTORIES

Inventories are measured at the lower of cost and net realizable value and consist of materials and supplies to be consumed in exploration activities. Net realizable value is the estimated selling price in the ordinary course of business less the costs necessary to make the sale.

(g) PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits are measured at the lower of cost and net realizable value and consist of prepayments on service and rental contracts and short-term deposits on purchases of supplies and property, plant and equipment. Net realizable value is the estimated recovery value in the ordinary course of business less the costs necessary to recover the prepayment or deposit. Any initial deposits on property, plant and equipment are transferred to interests in exploration properties and included in the acquisition cost of the asset when it is received.

(h) AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Company's investment in equity securities is designated as an available-for-sale financial asset and recorded at fair value on the trade date. Changes in fair value of available-for-sale investments are recognized in other comprehensive income (investment revaluation reserve) until investments are disposed of or when there is objective evidence of an impairment in value, at which point accumulated gains and losses in the fair value reserve are transferred to net income (loss). Evidence of impairment can include a significant decline in value (greater than 30%) or a prolonged decline in value (greater than six months).

(i) INTERESTS IN EXPLORATION PROPERTIES

All of the Company's projects are currently in the exploration and evaluation phase.

Pre-exploration expenditures

Costs during the pre-exploration phase are expensed as incurred in net income (loss).

Exploration and evaluation expenditures

Once the legal right to explore a mineral property has been acquired, costs directly related to the acquisition of the mineral property rights are capitalized and accounted for on either an individual property or area-of-interest basis. Subsequently the mineral property rights are carried at cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by Management, or sale. Purchased mining properties are recognized as assets at their acquisition date fair value if purchased as part of a business combination. Exploration expenditures incurred during the exploration and evaluation phase are expensed as incurred in net income (loss).

Mine development costs

Once the technical feasibility and commercial viability of a mineral property has been established, the property is no longer in the exploration and evaluation phase and is considered to be a mine property under development.

Thereafter, costs incurred directly related to mine development and construction are capitalized, including associated acquisition costs, directly attributable administrative or support costs and depreciation of related property, plant and equipment, and are accounted for on either an individual property or area-of-interest basis. Subsequently the mine properties under development are carried at the aforementioned cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by Management, or sale.

Technical feasibility and commercial viability is established once all of the following conditions have been met:

- The Company has established a NI 43-101 compliant estimate of property resources and/or reserves;
- The Company has obtained a mining permit or otherwise has the right to extract the resource and/or reserves; and
- The Company has established that it is economically viable to mine the resource and/or reserves. This includes the completion of a NI 43-101 compliant study to a pre-feasibility level at a minimum.

As the Company currently has no operational income and is not capitalizing exploration expenditures during the exploration and evaluation phase, any incidental revenues earned in connection with the exploration activities, or government assistance or mining duty credits realized during this phase, are applied against the exploration costs in net income (loss).

(j) REHABILITATION LIABILITIES

The Company is subject to various government laws and regulations and constructive obligations related to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred, including estimated costs of restoration, reclamation and re-vegetation of the affected exploration sites. When the liability is recognized at the present value of the estimated costs, the carrying amount of the capitalized related mining assets is correspondingly increased. Subsequently, the liability is adjusted for changes in the present value based on current market discount rates and liability-specific risks. The Company does not currently have rehabilitation liabilities.

(k) PROPERTY, PLANT AND EQUIPMENT

Upon initial acquisition, property, plant and equipment including land are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by Management. In subsequent periods, property, plant and equipment excluding land are stated at cost less accumulated depreciation and any impairment in value, while land is stated at cost less any impairment in value.

Property, plant and equipment unrelated to production are depreciated using the straight-line method over the estimated useful lives of the assets. The rods used in the drilling process are depreciated using the number of meters drilled. Mineral properties are depleted on a unit-of-production basis over the measured and indicated resources or the life of the mine. Land is not depreciated. Where significant components of assets have differing useful lives, depreciation is calculated on each separate component.

Estimates of remaining useful lives and residual values are reviewed annually, with any changes accounted for prospectively.

Depreciation and amortization is provided on a straight-line basis over the following estimated useful lives:

Buildings	10 – 20 years
Field equipment	2 – 10 years
Office equipment and furniture	2 – 4 years
Vehicles	4 years

Capital improvements	2 – 10 years

Major maintenance and repairs

Expenditures on major maintenance and repairs include the cost of asset replacement parts and overhaul costs. When an asset or part of an asset is replaced or overhauled and it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured, that expenditure is capitalized and the carrying amount of the item replaced is derecognized. All maintenance and repairs costs, except major overhaul or replacement costs, are expensed as incurred in net income (loss).

Gains and losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in other income (loss).

Leased assets

The Company does not currently have any leases where the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), whereby the asset is treated as if it had been purchased outright.

(l) IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

The Company assesses financial assets including investments available-for-sale and non-financial assets including mineral property rights, mine properties under development, mineral property assets and property, plant and equipment for impairment when facts and circumstances suggest that the carrying amount of the asset may not exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized immediately in net income (loss). An impairment loss in respect of investments is calculated by reference to its fair value.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods.

Capitalized mineral property rights are also tested for impairment before the assets are transferred to the mineral property costs.

(m) PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. The Company does not currently have any provisions.

Contingent liabilities and assets are not recognized in the consolidated financial statements. However, contingent liabilities are disclosed in the notes to the consolidated financial statements unless their occurrence is remote, and contingent assets are disclosed in the notes to the consolidated financial statements if their recovery is deemed probable.

(n) INCOME TAXES

Income tax expense consists of current and deferred income taxes and includes all domestic and foreign taxes based on taxable profits. Current and deferred income taxes are included in net income (loss) except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income (loss) for the current period and any adjustment to income taxes payable or receivable in previous periods. Current income taxes are determined based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be realized, and is later reduced if the Company determines it is no longer probable to be realized. The Company has not currently recognized any deferred tax assets or liabilities. In particular, no deferred tax asset has been recognized in respect of tax loss carry-forwards or deductible temporary differences as it is not probable at the end of the financial reporting year that future taxable profits will be available such that a tax asset can be realized.

It is the Company's policy to permanently write-off any previously unrecognized deferred tax assets on resource-related deductions related to permits no longer held by the Company in the period in which the permits are disposed of/expire. The related valuation allowance is also adjusted accordingly.

(o) SHARE CAPITAL

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial asset or liability. The Company's common shares and common share purchase warrants are classified as equity instruments. Incremental costs directly attributable to the issuance of new equity instruments are shown in equity as a deduction from the proceeds of issuance.

(p) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders of the Company by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares.

(q) SHARE-BASED COMPENSATION

The Company has a share-based compensation plan (the "Plan") described in Note 8(c). The Company's subsidiary, Orezone Inc., issued common share purchase warrants of its subsidiary, Brighton Energy Corporation ("Brighton"), as described in Note 8(b) (the "2010 Brighton Warrants"). The Company and Orezone Inc. measure the compensation cost of stock options issued under the Plan and the 2010 Brighton Warrants using the fair-value method as determined using the Black-Scholes option pricing model. Compensation costs are measured at the grant date based on the fair value of the award and are recognized over the vesting period in net income (loss), with a

corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model incorporates highly subjective assumptions, including volatility and expected time until exercise, which affect the calculated values. At the end of each reporting period, the Company reviews the option pricing model and updates model inputs for any changes for the purposes of determining the fair value of new grants, and reflects the impact of changes to non-market inputs, like forfeitures, for previous grants in net income (loss) or mine property under development costs, with a corresponding adjustment to reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

(r) COMPREHENSIVE INCOME (LOSS)

The Company reports the changes in equity which result from transactions, events and circumstances from non-shareholder sources in its comprehensive income (loss) that are not included in net income (loss) such as certain unrealized gains and losses resulting from changes in the fair value of financial assets classified as available-for-sale, gains and losses on derivative instruments and from foreign currency exchange gains and losses resulting from foreign subsidiaries with a functional currency different than the functional currency of the Company, and from foreign currency exchange gains and losses resulting from translating the consolidated results of the Company to the presentation currency.

(s) SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties. At December 31, 2014, the Company had operations in two geographic areas, being Canada, Burkina Faso and up to Q4 2013 the Company also had operations in Niger.

(t) CHANGES IN ACCOUNTING POLICIES

The following accounting policies were adopted by the Company for the year ended December 31, 2014. The new accounting policies did not have an impact on the Company's consolidated financial statements.

- 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. 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.
- IFRS 3, "Business combinations" – This accounting standard was amended to clarify the details regarding contingent consideration on business combinations. The amendment is to be applied prospectively to any business combinations beginning on or after July 1, 2014. The application of this amendment has not had an impact on the Company's consolidated financial statements.

(u) STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

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

- IFRS 9, "Financial Instruments" – This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2018. The application of this amendment is not expected to have a material impact on the Company's consolidated 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 application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.
- IFRS 8, "Operating Segments" – This accounting standard was amended to clarify the disclosure regarding management's judgment in applying aggregation criteria. The amendment is to be applied for annual periods beginning on or after July 1, 2014. Earlier application is permitted. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.
- IFRS 13, "Fair Value Measurement" – This accounting standard was amended to clarify the scope of contracts to be included in this and related standards. The amendment is to be applied for annual periods beginning on or after July 1, 2014. Earlier application is permitted. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.
- 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. The application of this pronouncement is not expected to have a material impact on the Company's consolidated financial statements.
- IAS 1, "Presentation of Financial Statements" – This accounting standard was amended to clarify disclosures relating to materiality, order of notes, subtotals, accounting policies and disaggregation. The amendment is to be applied for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.
- IAS 16, "Property, Plant and Equipment" - This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.
- IAS 19, "Employee Benefits" - This accounting standard was amended to clarify that actuarial assumptions take currencies rather than country of origin into account for discount rate calculations. The amendment is to be applied for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.
- IAS 24, "Related Party Disclosures" – This accounting standard was amended to clarify the disclosures related to key management personnel. The amendment is to be applied for annual periods beginning on or after July 1, 2014. Earlier application is permitted. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.

- IAS 38, "Intangible Assets" - This accounting standard was amended and is effective for annual periods beginning on or after January 1, 2016. The application of this amendment is not expected to have a material impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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 carry forwards 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.

Current income tax liabilities

The Company's operating subsidiary tax filings may be reviewed from time to time in accordance with the Burkina Faso Code. The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required in order to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, Management must determine whether it's probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in its Statement of Financial Position in addition to determining the appropriate level of disclosure regarding the dispute.

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), 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), 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 year ended December 31, 2014 was $155,122 (2013 – $555,497). There were no write-downs and no reversals of write-downs of inventories to net realizable value during the years ended December 31, 2014 or 2013. As at December 31, 2014, no specific inventories were pledged as security for liabilities.

6. INVESTMENT

On March 19, 2014, the Company sold its available-for-sale investment 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 per share 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.

7. INTERESTS IN EXPLORATION PROPERTIES

Assets not subject to depreciation and amortization	Land	Mineral property rights	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	-	-	-
Foreign currency translation	(22,946)	(99,741)	(122,687)
Balance, December 31, 2014	**166,030**	**976,384**	**1,142,414**

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	-	-	50,810	-	13,489	64,299
Foreign currency translation	(317,595)	(191,471)	(260,461)	(74,076)	(21,623)	(865,226)
Balance, December 31, 2014	**2,297,904**	**1,385,356**	**2,207,867**	**535,960**	**201,633**	**6,628,720**
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 year	252,900	280,693	402,025	147,112	27,257	1,109,987
Foreign currency translation	(121,520)	(150,083)	(157,450)	(50,515)	(18,688)	(498,256)
Balance, December 31, 2014	**946,707**	**1,160,396**	**1,301,115**	**404,533**	**172,745**	**3,985,496**
Carrying amounts as at:						
December 31, 2013	1,800,172	547,041	1,360,978	302,100	45,591	4,055,882
December 31, 2014	**1,351,197**	**224,960**	**906,752**	**131,427**	**28,888**	**2,643,224**

	Year ended December 31, 2014	Year ended December 31, 2013
	$	$
Cost, beginning of year	**8,694,748**	8,725,236
Additions	**64,299**	261,360
Disposals	**-**	(461,663)
Foreign currency translation	**(987,913)**	169,815
Cost, end of year	**7,771,134**	8,694,748
Accumulated depreciation and amortization, beginning of year	**3,373,765**	2,132,390
Depreciation and amortization	**1,109,987**	1,195,071
Disposals	**-**	(44,889)
Foreign currency translation	**(498,256)**	91,193
Accumulated depreciation and amortization, end of year	**3,985,496**	3,373,765
Carrying amounts, beginning of year	**5,320,983**	6,592,846
Carrying amounts, end of year	**3,785,638**	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 December 31, 2014:

	Number of permits	**Area (km^2)**	**Expiry dates[1] of current permits**	**Expiry dates[1] of potential permit renewals**
Bomboré	2	168	02/16 and 07/17	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	**December 31, 2014**	December 31, 2013
	$	$
Burkina Faso		
Bomboré	**806,386**	882,630
Bondi	**169,999**	193,495
Total mineral property rights	**976,385**	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 an exceptional two-year term expiring February 2015. The Company has applied for and paid the required fees associated with obtaining an exceptional one-year extension on the Bomboré permit. A letter was received in Q4 2014 from the Minister of Mines of Burkina Faso approving a final extension of the exploration permit by one year to February 2016; The Company received final title documentation in respect to

[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 extension on January 29, 2015. No further extensions to the permit will be granted. The Toéyoko permit was acquired in July 2011 for a three-year term which expired in July 2014 but may be renewed for two more consecutive three-year terms. The Company owns a 100% interest in the permits. The Toéyoko permit renewal application was submitted prior to the permit expiry. The renewal was approved in August 2014 and in September 2014 the Company paid the required fees. The Company received final title documentation in respect to the extension on December 30, 2014.

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.

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) 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 December 31, 2014 and December 31, 2013 included $66,801 related to the 2010 Brighton Warrants. In December 2014, all warrant holders voluntarily and unconditionally surrendered all rights to the warrants held.

(c) 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 December 31, 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 482,720 additional stock options beyond what was issued and outstanding as at December 31, 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 December 31, 2014 was as follows:

Grant date	Expiry date	Exercise price	Opening balance	Activity during the year			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	-	-	8,000	430,500	430,500	-
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	-	-	21,250	1,954,150	1,954,150	-
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	-	-	7,500	916,000	916,000	-
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
10/13/2014	10/13/2019	$0.75	-	300,000	-	-	300,000	100,000	200,000
Totals			6,767,400	2,400,000	45,000	36,750	9,085,650	7,018,984	2,066,666
Weighted average exercise price			C$1.02	C$0.73	C$1.70	C$1.47	C$0.94	C$1.01	C$0.69

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 year ended December 31, 2014 the weighted average market share price at exercise was C$Nil as no options were exercised in the year (2013 - C$1.80). The outstanding options as at December 31, 2014 have a weighted average remaining contractual life of 3.81 years (2013 – 4.67 years).

The Black-Scholes option valuation model input factors used for stock options granted between January 1, 2013 and December 31, 2014 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$
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
10/13/2014	10/13/2019	0.65	0.75	1.52	4.0	85.42		0.38
Weighted average for the year		0.67	0.73	1.56	3.41	84.51	-	0.41

As at December 31, 2014, there was $383,406 (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 1.06 years.

Brighton Energy Corporation

Management intends to wind-up the Brighton Energy Corporation subsidiary given that there are no longer any business activities.

In December 2014, the option holders of Brighton Energy Corporation signed an agreement to unconditionally surrender all options held. Prior to forfeiture, there were 1,500,000 options issued, of which 1,275,000 were still outstanding. They had a term of ten years and were expected to be equity-settled. The options had never met the vesting requirements, therefore there is no accounting impact.

Dilutive Effect of Stock Options

For the year ended December 31, 2014, 9,085,650 stock options (2013 - 6,913,900) 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 years ended December 31 were as follows:

	2014	2013
	$	$
Drilling and assaying	**1,574,341**	2,166,977
Exploration and development studies	**4,076,923**	3,018,270
General, camp, infrastructure and other	**1,598,728**	2,108,700
Exploration surveys	**298,256**	418,809
Total exploration and evaluation costs	**7,548,248**	7,712,756
Salaries and employee costs	**1,550,168**	2,044,004
Public company costs	**249,919**	260,924
General and office costs	**302,139**	413,110
Professional fees	**266,242**	276,082
Investor relations and travel	**142,035**	159,006
Total general and administrative costs	**2,510,503**	3,153,126

Total short-term employee compensation and benefits expense excluding share-based compensation for the year ended December 31, 2014 was $3,572,370 (2013 – $4,233,816). There were no bonuses accrued in the years ended December 31, 2014 and 2013, 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 year ended December 31, 2014 was $1,573,115 (2013 – $1,846,695).

10. INCOME TAXES

The income tax expense differs from what would have been computed using the combined Canadian federal (15%) and provincial (11.5%) statutory income tax rate of 26.5% in 2014 (2013 – 15% and 11.5% respectively, 26.5% combined). The reconciliation of total income tax expense for the years ended December 31 was as follows:

	2014	2013
	$	$
Loss before income taxes	**(10,795,263)**	(21,966,041)
Income tax recovery based on the Canadian corporate income tax rate of 26.5% (2013 – 26.5%)	**2,860,745**	5,821,002
Effect of income taxes recorded at rates other the Canadian income tax rate	**(420,817)**	(7,761,704)
Effect of foreign currency translation on income taxes	**(2,130,706)**	463,740
Effect of expenses that are not deductible for tax purposes	**(396,001)**	1,236,902
Unrecognized change in deductible temporary differences	**22,631**	(1,383)
Unrecognized change in share issuance costs	**186,902**	206,044
Unrecognized change in Canadian non-capital loss carry-forwards	**(340,982)**	208,955
Unrecognized change in foreign resource-related income tax deductions	**116,069**	(173,556)
Total income tax expense	**(102,159)**	-

The following deferred tax assets have not been recognized as it is not considered probable that sufficient future taxable profit will be generated to allow these assets to be recovered as at the following dates:

As at	**December 31, 2014**	December 31, 2013
	$	$
Canadian non-capital loss carry-forwards	**3,471,653**	3,130,671
Foreign resource-related income tax deductions	**13,736,068**	13,852,137
Unamortized share issuance costs deductible for tax purposes	**4,619**	191,521
Deductible temporary differences	**5,410**	28,041
	17,217,750	17,202,370

If not utilized, these Canadian non-capital loss carry-forwards expire between 2029 and 2034. The unamortized share issuance costs as at December 31, 2014 will be deductible for Canadian income tax purposes between 2014 and 2017.

The resource-related deductions generated by the Company's foreign subsidiaries are available to reduce future income taxes in Burkina Faso over an indefinite period. These deductions are tracked by project and can be applied to reduce future profit earned in Burkina Faso on the same respective projects should they be taken into production, or can be used to offset taxable gains associated with associated permit sales if such a sale is undertaken. The effective corporate income tax rate in Burkina Faso was 17.5% as at December 31, 2014 and 2013.

Due to Management's decision to return the Company's exploration permits in Niger to the Government of Niger during 2013, it has also eliminated the foreign resource-related income tax deductions relating to its Niger projects as it has dropped the permits against which those losses were incurred.

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. In July 2014, SARL received a formal tax reassessment for a reduced amount:

	Tax	Penalty	Total
CFA	XOF 4,136,008,314	XOF 2,855,571,142	XOF 6,991,579,456
USD (1 USD = 542 CFA)	$7,631,011	$5,268,581	$12,899,592

The subsidiary subsequently issued an appeal notice to the tax authority, who informally agreed to suspend efforts to request payment of the assessed amount until the appeal process is complete. Management is of the view that the filing positions taken, based on advice received from its local tax advisor, were based on reasonable interpretations of the Tax Code in effect for the periods covered by the reassessment. Management intends to continue to vigorously defend its position, however it is likely that additional taxes will be paid once the dispute is resolved. Accordingly, a tax liability of approximately $102K was accrued in the three months ended September 30, 2014 related to the dispute, which remains unchanged at December 31, 2014.

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") for tax purposes which may only be deducted against foreign accrual property income ("FAPI") earned by the same legal entity. The Company has not recorded any deferred tax asset related to the FAPL that arose from the sale of the shares.

The Company's subsidiary, Brighton Energy Corporation has a FAPI reserve of $246,576 at December 31, 2014 (December 31, 2013 - $246,576) resulting from debt forgiveness on its waiver of interest on an intercompany loan. This reserve will continue to be carried forward until sufficient FAPL have been incurred by the entity to eliminate the reserve.

As at December 31, 2014, the Company had gross temporary differences of $nil (December 31, 2013 - $2,438,038) associated with investments in subsidiaries. As at December 31, 2013, no deferred tax liabilities were recognized, as the Company was able to control the timing of the reversal of these temporary differences and it was not probable that these differences would reverse in the foreseeable future.

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the years ended December 31 were as follows:

	2014	2013
	$	$
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**3,648**	5,904
Inventories	**107,492**	138,336
Prepaid expenses and deposits	**24,118**	428,702
Accounts payable and accrued liabilities	**1,009,765**	(1,501,962)
	1,145,023	(929,020)

Changes in non-cash working capital impacting cash flows from investing activities were as follows:		
Trade and other receivables, related to interest received	**5,518**	7,568

Changes in non-cash working capital impacting cash flows from financing activities were as follows:		
Accounts payable and accrued liabilities, related to share issuance costs	**-**	24,406

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	**December 31, 2014**	December 31, 2013
	$	$
Canada	**23,437**	21,818
Burkina Faso	**3,762,201**	5,299,165
	3,785,638	5,320,983

Total additions to the cost of interests in exploration properties segmented by geographic area for the years ended December 31 were as follows:

	2014	2013
	$	$
Canada	**13,489**	18,839
Burkina Faso	**50,810**	242,521
	64,299	261,360

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 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	December 31, 2014	December 31, 2013
	$	$
Taxes receivable, included in trade and other receivables	**23,031**	32,828
Prepaid expenses, included in prepaid expenses and deposits	**86,883**	108,252
Taxes payable, included in accounts payable and accrued liabilities	**140,179**	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 Canadian dollars (“CAD”), United States dollars (“USD”), 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.

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

As at December 31, 2014	USD	CAD	EUR & CFA[1]	Total
	$	$	$	$
Financial assets				
Cash	192,131	2,798,224	424,928	3,415,283
Trade and other receivables	55	7,955	2,300	10,310
Deposits	-	-	41,705	41,705
	192,186	2,806,179	468,933	3,467,298
Financial liabilities				
Accounts payable and accrued liabilities	628,441	173,421	350,734	1,152,596
Net financial instruments, December 31, 2014	**(436,255)**	**2,632,758**	**118,199**	**2,314,702**

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

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

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	**December 31, 2014**	December 31, 2013
	$	$
CAD	**(263,276)**	(842,290)
EUR & CFA	**(11,820)**	(54,457)
GBP	**-**	(282,574)

As at December 31, 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.

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.

The Company has received an exceptional one-year extension on the Bomboré permit. Although the Company intends to complete all of the required deliverables in order to apply for a mining permit for the Bomboré project in the first half of 2015, unforeseen costs or delays and/or political instability may impact its ability to do so successfully and there can be no assurance that the Company will be successful in obtaining a mining permit prior to expiry.

14. CAPITAL MANAGEMENT

As at December 31, 2014, the Company's capital consisted of $3,415,283 of cash and $133,439,571 of common shares (2013 – $12,302,209 and $133,439,571). The 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 December 31, 2014, the Company had contractual obligations for environmental and social impact studies, feasibility study costs, head office rent, professional fees, resource update costs, communication services, metallurgical work, and equipment and inventory purchases and rentals in the amount of $1,021,290 (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 2015 fiscal year.

Subsequent to December 31, 2014, the Company entered into further contractual obligations in the amount of $325,333 for professional fees, environmental and social impact studies, geotechnical work, feasibility study costs, insurance costs, conference fees, marketing costs and equipment and inventory purchases and rentals, which are expected to be payable throughout the 2015 fiscal year.

16. KEY MANAGEMENT COMPENSATION

Key Management, Personnel and Director compensation for the years ended December 31 was as follows:

	2014	2013
	$	$
Short-term key management personnel compensation and benefits and director fees	**1,192,021**	1,259,550
Share-based compensation (Note 8(c))	**690,495**	654,591
	1,882,516	1,914,141

17. SUBSEQUENT EVENT

On January 27, 2015 the Company announced the completion of a royalty purchase agreement (the "Agreement") with Sandstorm Gold Ltd. ("Sandstorm") that provides up to $8.0 million in financing to advance its Bomboré Project. Sandstorm has initially purchased a 0.45% net smelter returns ("NSR") royalty payable by the Company on future revenues from Bomboré (the "Upfront Royalty") for $3.0 million. The Company has the option to buy back 100% of the Upfront Royalty.

Sandstorm has committed to provide the Company with up to an additional $5.0 million (the “Standby Royalty”) for a period of two years.

The Agreement also grants Sandstorm a right of first refusal (“ROFR”) on all future gold stream financings (“Stream”) completed by the Company up to three years subsequent to the commencement of commercial production on the Bomboré project. In the event that the Company completes a Stream and Sandstorm exercises its ROFR, the Standby Royalty may be repurchased if Sandstorm’s participation in the Stream is $30 million or greater, or the total value of the Stream is $80 million or greater. The repurchase price would be equal to the sum of all tranches advanced to the Company under the Standby Royalty plus a premium of 30% if repurchased prior to 2018. For repurchases subsequent to 2018, the premium increases by 10% per annum.

To the extent that any amounts advanced under the Upfront Royalty and the Standby Royalty are not repurchased based on the above, the Agreement contains a provision that requires Orezone to pay, on or before January 15, 2025, any shortfall between the amounts advanced under the royalty and royalty payments received by Sandstorm.

The Agreement with Sandstorm was executed with Orezone Gold Corporation (“Orezone”) and, while any related royalty obligations are calculated based on production from the Bomboré permit, they remain the obligation of Orezone. As security for the Agreement, Orezone has pledged all of the issued and outstanding shares of a subsidiary. No project level security has been provided (including security against the Bomboré permit), however in the event that the Company completes a project debt financing, Sandstorm has the right to receive security for its royalty interest (if one exists at that time) equivalent to that being given to the project debt facility lender, which could include transferring the security to the Bomboré project permit(s).